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Caribbean, LA Reject Human Rights Commissioner

FL2306021393 Bridgetown CANA in English 1633 GMT 22 Jun 93

[By Ulric Hetsberger]

[Text] Vienna, Austria, June 22, CANA—Caribbean and Latin American governments, with support from non-governmental organisations, on Tuesday rejected a World Human Rights Conference's draft proposal to appoint a United Nations human rights commissioner with sweeping powers to intervene in states.

The controversial draft specifies that the commissioner will "assume responsibility for human rights issues in the areas of peace-keeping, peace-making and humanitarian assistance, and have authority to bring to the attention of the security council serious violations of human rights when they threaten international peace and security."

Caribbean and Latin American states, through official spokespersons, said they were alarmed the commissioner would be given, according to the draft text, "independent authority to despatch special envoys on fact-finding missions," and "undertake other initiatives to promote human rights."

Addressing the conference plenary on this issue, Jamaica's minister of state for foreign affairs, Benjamin Clare, said that while his country was prepared "to examine the possibility" of appointing such an officer, "we would not support the post if it could be used as a pretext for unwarranted interference in the internal affairs of any country, particularly on a basis which is selective and which sanctions abuse of small and weaker states by the more powerful."

Barbados' ambassador to Brussels, Orlando Marville, told the more than two thousand delegates Bridgetown would offer strong support for the appointment "on the basis that his/her mandate be the supervision of all human rights, not just a selected few." When Suriname's minister of justice and police, Soeshiel Girjasingh took the floor, he described as an obstacle "the selective implementation of human rights."

"The monitoring of human rights should be objective, for if not, we lose sight of the essential values that these rights represent," he said.

The 50 Latin American and Caribbean NGO's attending the conference are demanding "a study of the usefulness of a human rights commissioner," a position which the conference is expected to adopt. According to a source attending the closed-door drafting committee sessions, "This idea (to have a study) was approved by consensus by Latin American and Caribbean governments at their regional human rights meeting in Costa Rica, January 18-22. This position appears to be the only path towards agreement between the industrialised nations who want the commissioner to be appointed on the one hand, and Africa and Asia who are totally against it on the other," the source said.

Beverley Keene, spokesperson for the Caribbean and Latin American NGO's, told CANA the group had adopted the position of "cautious interest" in such a post.

"The recommendation which we have made and which we have forwarded to all governments and to the drafting committee is that they begin a study of the feasibility and convenience of establishing a high commisioner for human rights," Keene told CANA. "We are concerned that such an instrument could lead to the politicisation of human rights decisions. We are also concerned that the appointment could be a pretext to weaken the present functions of the UN Human Rights Centre," she added. "We think the issue should be studied with great caution. Any new machinery of that nature ought to be set up on the basis of a very broad-based consensus."

Cuba

Politburo Announces 'Austere' Moncada Barracks Observance

FL2206144993 Havana Radio Reloj Network in Spanish 1402 GMT 22 Jun 93

[Text] In response to current circumstances, the Politburo of the Central Committee of the Communist Party of Cuba has decided that we should celebrate in a very austere manner the 40th anniversary of the attacks on the Moncada and Carlos Manuel de Cespedes Barracks. Therefore, we should not hold the large traditional ceremony in Santiago de Cuba's Antonio Maceo Square and other activities involving mass mobilizations. In its place, a ceremony will be held at the modern Heredia Theater in Santiago de Cuba, which can seat almost 2,000 people. We know, the note adds, this decision will be understood by the heroic people of Santiago de Cuba and the whole nation, who are aware that in light of the difficult situation Cuba faces, the best homage we can render to our heroes is to be austere and to resist without surrender.

The Politburo note mentions the adverse circumstances that for over 30 years have been imposed by an inflexible economic blockade and the political harassment of successive U.S. Administrations, now joined by the collapse of the USSR and the socialist bloc, the sudden drop in our import capabilities, and, in the last few months, the unfortunate consequences of several storms.

The people's response to these adversities has been that of always: to struggle and work to overcome difficulties, with the optimism and confidence felt when one is fighting and is convinced that this attitude is the only way not only to recover but also to move ahead.

Lazo Interviewed on Celebration, Economy

FL2206170193 Havana Radio Rebelde Network in Spanish 1155 GMT 22 Jun 93

["Exclusive" interview with Politburo member Esteban Lazo Hernandez by Carlos Sanabria Marrero in Santiago de Cuba—live]

[Text] [Sanabria] Comrade Lazo, thank you for coming to Radio Rebelde's microphones. Please tell us how Santiago de Cuba Province will observe the 40th anniversary of the Moncada Attack.

[Lazo] First of all, I would like to say that this date is always awaited with anticipation by the people of Santiago de Cuba, and the Cuban people in general, for what it represents in heroism and definition in the fight for Cuba's independence. We have long been preparing to celebrate the 40th anniversary. Many plans had been made. Many ideas had been developed to celebrate the 40th anniversary of that heroic attack on the Moncada Barracks. However, we have not been able to do many of the things we planned to complete by that date, essentially because of the economic situation everyone knows Cuba is facing. We approach the 40th anniversary precisely in the midst of the most difficult period Cuba has faced in economic terms.

This morning—I do not know whether you have already heard the Politburo note—it was decided to celebrate this date in the most austere manner possible, not as is traditionally done. Our people, of course, understand this. We are not experiencing normal times. Therefore, we cannot do things as if we were in normal times. Undoubtedly, large mobilizations involve expenses and transporting many people, and we have difficulties with transportation. Everyone is also aware of the epidemic we have been confronting lately. I believe the decision to celebrate 26 July in the most austere manner possible is fair to our people.

Nonetheless, the date will be celebrated with all the energy and patriotism that truly characterize the Santiago de Cuba and Cuban people. As the Politburo note states, we have faced many difficulties. We have the difficulties brought on by the blockade; next came the collapse of the socialist bloc, our primary trading partners; and of late, the weather has been very hard on us. The storm of the century resulted in very heavy damages, estimated at over 1 billion pesos. Additional heavy, out-of-season rains caused major damage to agriculture, housing, and other economic and social spheres. This exacerbated our economic situation and, of course, marks more clearly the path to follow.

There is no need to speak of the will and strength of the immense majority of our people. I believe we have had recent examples of our people's unity, their will to fight, their commitment not to surrender under enemy pressure. The elections were proof of this: The people participated en masse, in the midst of a very difficult economic situation. I believe this is an example of the character, dignity, honor, and patriotism of our people. The recent May Day was one of the happiest, most heavily attended May Day celebrations ever.

Despite this, we have to realize that under present conditions we cannot continue to do things in the same manner. Therefore, the decision was made to hold a smaller ceremony at the Heredia Theater. The fact it will be held at the Heredia Theater does not mean it is going to be a small ceremony. The heart, dignity, and feelings of every Santiago de Cuba Province resident will be inside that theater. We will not all be able to be there, but we will be at home following the details of the ceremony, the words of our commander in chief, and of course celebrating with the happiness that truly should characterize a revolutionary happiness accompanied by optimism and the commitment to triumph.

We have been working very hard on certain things. For well-known reasons, it was not possible to fulfill the sugar plan. Weather conditions were very adverse. This has been explained several times. Practically speaking, it rained throughout the peak period of the harvest. This affected yields and planting. However, a great effort has

been made toward the recovery of the cane fields. More work has been done this year than in previous years. This was hard on the sugar workers because it is the first time in eight years that the plan was not met. But it was beyond their control. There are still problems with the sugar recovery program, particularly in planting, because the constant rains make it impossible to prepare the soil. I have to stress that the commitment of the sugar workers and the mobilized workers is very high. Right now, there are over 12,000 people weeding the cane fields.

Despite all the rain, by the end of June we will have weeded over 90 percent of the cane fields. A great effort is being made. The amount of cane replanted is unparalleled. An awareness has been created of the need to replant cane as part of the sugar recovery program. All the tending plans have been fulfilled. This year we have been able to fertilize a bit more than in previous years. We have also been able to spray a bit more herbicide. We estimate that in relation to the effort being made in the recovery program and the weather, there will be a bit more sugarcane this year and we may even be able to start the harvest early, in November. We are arduously working at this. This is one of the main tasks we undertook in salute to the 40th anniversary—the effort in sugar, since it is the most essential sector of our economy.

On the other hand, there is the food program. You know of the great efforts made. Santiago de Cuba Province practically had no land in condition to produce certain crops and, during the 35th anniversary celebration, Fidel advocated the effort that should be made to help the province. Although it is not possible to solve a problem of this magnitude in such a short time, we will arrive at the 40th anniversary with over 170 microjet caballerias in plantain in Santiago de Cuba and Ciego de Avila. This is one response to Fidel's proposal during the 35th anniversary. These caballerias will gradually begin producing fruit. This year, the Ciego de Avila plan, which was one the ideas discussed then, will yield approximately 800,000 quintals of tubers for Santiago de Cuba Province. Currently, over 300,000 quintals of tubers have been shipped from Ciego de Avila.

This year, approximately 2.5 million quintals of tubers and vegetables should be produced by the two provinces and a vegetable farm in Bayamo, in contrast with only 700,000 quintals of tubers and vegetables produced previously. This, of course, is not yet enough in the face of all our other shortages, but tubers are a great help. Undoubtedly there is an effort, there is an increase. The province now has over 700 irrigated caballerias. Five years ago we were barely getting started on this. I believe a great effort is being made. Many other things were accomplished, great things which have not yielded results because of the special period, such as all the pig farms. That was a great solution, and some of them are in operation. What we have to develop now, as conditions permit, are other methods such as pig pastures, the open air farms being developed in several places.

A great effort has been made in dairy production. The dairy plan has actually been maintained, expanded, and surpassed. We have all the resources for egg production but it has not always been possible to produce as much as we wished, because of feed shortages. This was a good year for coffee production as well as the forestry program. Efforts are intense.

There are other things also affecting the population. We had goals for the 40th anniversary, such as in housing. The limitations are great. This has been publicly stated. However, we are conducting a low-cost housing program and last year we pledged to build 24,000 housing units between 26 July 1992 and 26 July 1993. Perhaps we will not reach this figure, because of limitations; but over 3,500 low-cost and traditional houses will be completed. This is also a great effort.

Several projects will be inaugurated, perhaps not like during the 35th anniversary when Fidel spent four or five days inaugurating projects. Yet there is a great effort which shows the Revolution does not stop and progress continues. Over 100 projects will be under way by 26 July, like the Hotel Sevilla—an important project for tourism. Tourism has been much better than in previous years in terms of the number of tourists and earnings. We plan to complete Hotel San Juan, an expansion of Hotel Leningrad, and the expansion of Hotel Carisol by 40 new rooms. There is another group of projects in support of tourism that will also be completed.

There are important projects like the zeolite plant and the porcelain cement plant, which might help significantly during the special period; an effort has been made, amid all the difficulties, to complete it through worker innovations. The bakers yeast plant, capable of producing almost 2,000 pounds of yeast from distillery by-products, is worth over 8 million pesos and is extremely important for the special period.

Other important projects will be completed, such as an incubator plant in Contramaestre; the school for the blind; the behavior problems schools; the Magdalena bridge; the South Highway; the bridge over the Cauto River, which help traffic significantly and will relieve congestion through Palma Soriano; the retinitis pigmentosa center—a highly important project; the Gota Blanca Dam, which was not finished because it was thought it would never fill, and yet is now full; we want to have it finished by the 40th anniversary. There are some seven or eight important communication projects that will also be completed by the 40th anniversary. There are other projects in railroads and transportation. There is an important amount of projects we plan to have completed by the 40th anniversary.

As for the populace, we think these will be happy days for the people, within the context of austerity and the resources available in the province. I do not think resources and happiness are in conflict. We expect every city block to celebrate with its own resources through Committee for the Defense of the Revolution activities

on the evening of the 26th, with community suppers or whatever is put together at each site.

There should also be cultural and recreational activities. No one should expect the parades we used to have, with all those resources and kiosks; today we do not have the oxygen or the acetylene to put kiosks together. Yet, the people at the neighborhood or block level should be able to have fun, in an austere manner, within the available resources, but heartfelt fun. It is important to stress that happiness is an important element of the 26 July celebration.

We will hold a cultural night with Santiago de Cuba artists on the 26th. There will be a symbolic assault to the Moncada Barracks. I think the most important part of all is that each revolutionary meditate on the meaning of this 40th anniversary, the difficult time Cuba faces, the extraordinary limitations we have, and above all fidelity, steadfastness, patriotism, dignity, faith in the future, not only to overcome the current situation which we are convinced we will overcome through our efforts and work, but also to progress much more.

This is the way I see the people of Santiago de Cuba Province celebrating this date. This is how I think the people should meditate on this date. These are above all times for work, unity, fidelity to the fatherland, fidelity to ideas, fidelity to Fidel and the Revolution, times to meditate on everything the Revolution has done and why we must defend it. It is a time to remember those who fell in the Moncada attack and throughout the history of the Revolution in the fight for the liberty and independence of the fatherland, and who are not able to see this project which is temporarily affected but is nonetheless a project undertaken for the people and to benefit the people. Only the people will be able to overcome the present situation and expand this project with their intelligence, their arms, their work. No one will come in to solve the problems of the Cuban people. We deeply appreciate all the signs of solidarity and help the world is giving Cuba, thanks to its prestige and authority and because the world knows what Cuba represents.

The most important resource to overcome the special period is the effort of the Cuban people, our work, our intelligence, our unity, our fidelity to ideas, our fidelity to the Revolution. This is how we see this 40th anniversary and how the Politburo note reads: The best homage to martyrs is the homage of not surrendering, the homage of austerity, the homage of fidelity, the homage of lifting higher than ever the dignity and patriotic courage of the revolutionaries and the Cuban people.

'Realistic' Economic View Welcomes Foreign Capital

FL2106135893 Havana Radio Reloide Network in Spanish 1155 GMT 21 Jun 93

["Our Opinion" commentary by Ariel Larramendi]

[Text] The introduction of foreign capital in Cuba, in conjunction with private property, responds to a realistic view of current world economic circumstances. If a few think or someone with bad faith raises the [word indistinct] phrases of the sale of the country to foreign capital, they have not studied in depth the current economic trends prevailing in the real world and the very particular situation this blockaded country is struggling against.

The fall of the socialist bloc and the Soviet Union, with which Cuba had 75 percent of its foreign trade, marked an inevitable inflection in the development curve of the Cuban economy. There is no doubt that trade with the Council of Mutual Economic Assistance nations provided mutual economic help, and in particular with the Soviet Union, at preferential prices. Even though they were mutually beneficial, it was a sign of how we understood relations should be between countries with a certain level of development and others, like Cuba, with lower levels. These relations allowed us to breath with a certain tranquility. They allowed us to sidestep certain markets, since the mechanisms of CEMA and the use of transferable rubles conformed to a plan, if not perfect, at least harmonious and of acceptable compensation between the member countries.

The other 25 percent of our foreign trade relations, those we maintained with market economy countries, was gnarled by the ever present threats of U.S. policy toward Cuba. The blockade has forced us, in over three decades, to lengthen our supply lines; to increase inventories; to buy essential materials for our industries at very high prices; to search for credit, sometimes abusive but necessary; in short, to lose more than $40 billion in 34 years. Many times we obtained defective technical equipment, the only thing we could get at the time.

Now, the reality of this stormy 25 percent of trade relations with capitalist countries has become all we have. The socialist bloc and the Soviet Union no longer exist. That is the reason the blockade has become intolerable and abusive. In a world of market economies, Cuba should and can integrate itself based on what it has accomplished internally in this three decades of uninterrupted work. A high level of intelligence and intellectual and technical capability has been created. An industrial infrastructure, in certain sectors; of a very high level, remains relatively idle as a result of a lack of raw materials, capital, and markets.

It is suggested that foreign capital be used in these sectors, vital and fundamental to the country's economic structure. The benefits are mutual. Cuba is benefited and so is the foreign enterprise. It is clear to everyone that it is better to have a factory working, even if it is with foreign participation, than closed. It is clear to everyone that the central industries are not exploited with foreign capital. These are the rules of the game and we must play. An economic space does not necessarily mean a political space. That is what it is about.

*** Private Enterprise Initiatives Discussed**

93CA0135Z Mexico City PROCESO in Spanish No 860, 26 Apr 93 pp 42, 43, 45-47

[Article by Homero Campa]

[Text] Havana—Little by little, without official recognition, small private business ventures are gaining ground in Cuba. People set up shop on the streets or in "popular fairs," and they try to engage in direct bartering on the black market.

These are timid attempts that challenge the law laid down by the socialist government of Fidel Castro in 1968: Private sales of durable goods and foodstuffs are prohibited in Cuba.

"We will never succumb to private business ventures. All over the world, businessmen make profits from the sweat of the people's brows. They speculate with other people's wealth. We will never allow that," emphasizes Arnaldo Vega, director of retail marketing at the Cuban Ministry of Domestic Trade.

And he stresses that during these times of economic crisis, only the state can guarantee "equitable and rational" supplies of basic goods at low cost. "I can assure you that no businessman will sell at a cheaper price than we do. Only a revolutionary state can do that," he adds.

Even though it is illegal and products are scarce, Cubans seem to have no shortage of things to buy and sell.

Suddenly something that had been scarce appears as if by magic: shoes, clothing, household goods, car parts, and even radios and televisions.

They are all spread out on the sidewalk surrounding the park on 15th Street in the downtown Vedado district.

Last February the provincial government of Havana authorized the sale of "consumer items" by private individuals on Sundays. People set up stalls in parks and on median strips on some avenues, similar to the markets in Mexico.

They came to be known as "popular fairs," although some call them "diplo-fairs." Their purpose: the sale of all kinds of new or used goods that for one reason or another are no longer needed by their owners: almost-new "Czech" shoes that a child had grown out of, a black-and-white Soviet television set that had been replaced by a color set and was in the way in the small house, new underwear of the wrong size sent by relatives in Miami, etc.

The prices were not regulated by the state; they obeyed the law of supply and demand. Almost all were above the salary of any professional in Cuba: blue jeans, 500 Cuban pesos; a tire for a Soviet Lada car (the most common make on the island), 3,200 pesos; a battery-operated razor, 600 pesos; children's tennis shoes, 300 pesos; records by Beny More (the "Savage of Rhythm") from 1958, 120 pesos....

Even in view of this, the place was jammed with Havana residents who, suffering from a severe shortage of everything, wanted to buy, sell, or both.

Unexpectedly, three weeks after it opened, the market was shut down. The reason: In addition to consumer items, black market goods were sold as well: bath soap and laundry soap, which were extremely scarce at that time; new T-shirts and blouses with labels from the hard-currency stores reserved for foreign diplomats, to which only foreigners supposedly had access; and fine costume jewelry, sales of which are regulated by the state because it is considered a "handicraft."

"The provincial government has decided to shut this down temporarily," reported Alexis Cruz, municipal delegate, to the surprised merchants who wanted to begin selling on Sunday 13 March in the park on 15th Street. "In view of the vigor and spontaneity of this fair, a commission is studying the best way to regulate this activity so that the original good intention of selling consumer items is not distorted," he stated.

It is called "El Encanto." It is a typical store for foreigners, selling things like "Maja" perfumed soap, "Johnnie Walker" whiskey, "La Piara" canned ham, "Marlboro" cigarettes, Italian clothing, "Seiko" watches, and "Sony" television sets and video recorders.

But it is unique in one way: Cubans can also shop here and pay in dollars.

Located in the tourist area of Varadero, an hour and a half from Havana, "El Encanto" is an "experimental" store: Only employees of tourist businesses shop here, and they pay with certificates that the state has issued to them in exchange for the dollar tips they reported. For every dollar a waiter or hotel maid receives, 40 cents is taken to distribute to comrades who do not have direct access to tourists: cooks, housekeeping personnel, maintenance technicians, etc.

The government wants to prevent employees from keeping the dollars and exchanging them on the black market (at 50 pesos to the dollar), or from asking tourists to buy items for them in the stores for foreigners that are located in hotels and are off-limits to Cubans.

"If one segment of the population is allowed to make purchases in dollars, will that lead to greater social inequality?" a foreign journalist asked President Fidel Castro on 24 February in Santiago de Cuba.

The leader of the Cuban revolution replied that it was an "experiment" that his government had agreed to, under a formula that was "realistic in principle." He said that "it was not ideal, but we had no alternative."

He explained: "We do not have enough resources to provide to everyone, and we have decided to make these terms available for certain segments of the population. It will mean, in fact, that some citizens have possibilities that others do not, but the revenues from their work and from whatever they can buy in any store will be enough

to buy powdered milk for children or medicine for hospitals. It will not go to line anyone's pockets, just to make improvements.... If we do not do this, that money may be kept and used for illegal trading, the black market, and all that...."

Manuel Castillo, assistant manager of the store "El Encanto," is "delighted" with the experiment: "There will be greater benefits for the customers and their families. I think it is a fair way to distribute the wealth generated by tourism among the workers in the sector."

[Campa] Is it also a way of confronting the black market?

[Castillo] Well, we do not expect this to eliminate the black market, but it helps.

A dozen Cubans lined up at the counter of a unique store: the Consignment House on Suluета Street in Old Havana.

They were there to sell various belongings: clothing, electrical appliances, and camera accessories.

[Campa] Are they being sold to the state?

[Answer] No, to individuals.

This is how it works: A Cuban wants to sell, for example, his Soviet VEF tape recorder for 1,700 pesos. He goes to a consignment store, which is run by the state. His recorder is put on display there at an asking price set by him. If another Cuban buys it within 90 days, the original owner gets 85 percent of the sales price and the state gets the remaining 15 percent. The "commission" earned by the state gradually increases if the tape recorder takes longer to sell. "If it is bought in 120 days, the state gets 25 percent; if it is 150 days, 45 percent; 180 days, 65 percent. If after four months the tape recorder has not sold, the owner can lower the price or take his recorder back, paying the store just three percent of the value he had set."

Before the "special period," there were five Consignment Houses in Cuba. Now there are 120, 28 of which are in Havana. Some consignment stores specialize in clothing, small household goods, shoes, furniture, etc. Unlike the state-run stores, they almost always have well-stocked shelves, and they are full of people buying and selling goods. Furthermore, some do not even come into the consignment store; buyer and seller reach an agreement outside, practically at the entrance.

Since it is the sellers, and not the state, who set the prices, they are generally the same as those on the black market: shoes for 250 to 300 pesos; children's clothing, 100 to 150 pesos; jeans, 600 pesos; an electrical switch, 30 pesos; a porcelain elephant, 3,000 pesos; a costume-jewelry necklace, 450 pesos.... All at prices higher than the average monthly wage in Cuba (300 pesos).

On Obispo Street in Old Havana there is a consignment store for shoes. It is called "Moravia." Unlike a state shoe store located two blocks away, this one has full shelves. Many of the shoes are even new.

[Campa] How do you explain this when shoes are the scarcest goods of all?

"Well," replies sales clerk Mirta Medina, "children grow and the shoes do not fit them anymore; women's feet sometimes get wider as they grow older, and also, the community (relatives abroad) send a lot of shoes that are the wrong size...."

[Campa] Why are the consignment stores so successful?

"Because of the present situation. It is an alternative for the population to enable them to meet a very small part of their needs," answers Arnaldo Vega, who is in charge of "retail distribution" at the Ministry of Domestic Trade.

He says that this type of indirect trade between private individuals is an insignificant part of the Cuban economy. "You can imagine," he tells this reporter, "the volumes that 120 Consignment Houses can handle. No matter how much they sell, it cannot be compared with what we sell at 18,000 state-run establishments. In addition, the latter not only guarantee the products, but also sell them at very low, sometimes subsidized, prices."

[Campa] Is this a way of confronting the black market?

[Vega] The Consignment Houses provide a service to the populace. It is one more possibility. But it is not a solution in and of itself, nor is it designed to confront anything.

[Campa] One study showed that in 1990, a third of the money in circulation, which totals 7 billion pesos, was on the black market.

[Vega] That is another matter. The black market is merely a redistribution of goods and money. And that is pure speculation. No one can calculate it, but I can assure you that the amount of illicit goods cannot compare with what is distributed by the state.

[Campa] How do you know, if there is no research?

[Vega] Because the goods do not fall out of the sky. They have to be manufactured, and that does not exist on the black market. Look, you know that soap is scarce and that it is worth a lot (45 pesos on the black market). But you have to hustle, you have to search to find it. Why? Because no one manufactures it privately. So you can see that the black market cannot solve the problem, it cannot fill the bill. The state, on the other hand, has to sell 11 million soap bars at 17 centavos apiece.

The Cuban official says that the Constitution guarantees the personal ownership of goods. A person can, therefore, sell what belongs to him. "What you cannot do," he warns, "is go out on the street with 200 identical products." He stresses that these practices are prohibited and penalized.

[Campa] But I have seen goods being sold on the street....

[Vega] Those are local government initiatives that can last for a very short time, because if they were to be prolonged, the trade would be disastrous.

[Campa] Does the fact that these local initiatives are proliferating mean that the people are pressuring to have small private businesses?

[Vega] We will never succumb to private business ventures. All over the world, businessmen make profits from the sweat of the people's brows. They speculate with other people's wealth. We will never allow that.

Alcibiades Hernandez is a black playboy in Old Havana. Every day he brings his goods in a sack and displays them on a blanket right out on Carlos III Avenue, in the "business" district of downtown Havana. He sells books, records, magazines, and miscellaneous souvenirs of Havana. Most of his products are a little worse for wear, but to "preferred customers" he offers new goods: A Luis Miguel cassette for 50 pesos, an Alejandra Guzman poster for 20 pesos.

"Do you want a magazine with some pretty women? Give me a *tinosa* (33 pesos) for it."

At 45, having "honorably" retired from the construction sector, Alcibiades says that this business rounds out his income: "Up to 80 pesos a day.... It is not a princely wage, but I make enough to buy food."

[Campa] Did you know that street vending is prohibited? Don't the police say anything to you?

[Hernandez] When I started a year ago, they did. I had to go "ply my trade" somewhere else. Now I think they have gotten used to me.

About once a week, Roberto Miyar goes "shopping" in the towns and villages near Havana: Guanabacoa, Santiago de las Vegas, Cuanabo, Artemisa.... He takes everything in his old Skoda car: bath and laundry soap, bags of detergent, tubes of toothpaste, plastic boots, ornamental combs, and a bicycle.

"'El Habanero is here." Word travels from house to house in Las Canas, a town located one hour from the capital of the island. And while he barters the bicycle for a 200-pound pig at Emilio's house, women with chickens, bunches of bananas, bags of garlic and onions, and handfuls of carrots flock to the house.

If he does not barter, he buys and sells for money. He sells the bar of bath soap for 40 pesos, although the ration book says it should sell for 40 centavos, and beginning in February, families with children under seven years of age were limited to half a bar. He buys pork, which has not been included in the ration book since the "special period" began nearly three years ago, for 26 pesos a pound and sells it to his customers in Havana for 40 to 50 pesos.

He returns with a load of farm products and with more money than he started out with: 5,000 pesos. On the way, he explains: "The 'grub' that the city needs is in the countryside, and in the countryside they lack other products that are available in the city, though maybe in limited amounts. Since the distribution network is all messed up, the illicit business activity is in being a middleman, taking things from here to there and coming back with another load."

[Campa] But you make a huge profit....

[Hernandez] And what do you think, it is because I like it? I have to make a living. Look, business has its risks. If they catch you, the jig is up.

At the beginning of the year, the Cuban authorities stepped up their patrols along the roads leading to Havana. They are trying to stop, or at least slow down, the "illicit" entry of goods into the city. It is common to see policemen along the highways climbing into freight and passenger trucks to inspect them, night and day. If they find goods in suspicious quantities, they seize them and take down information on the owners.

According to a wire story from the National Information Agency, dated 20 January, the Communist Party in Havana Province ordered that the "livestock patrols" be reinforced in order to prevent the rustling of cattle and horses in view of the shortage of meat.

State television reported the prosecution of eight men who slaughtered a dozen cattle on a state farm and took the meat to sell it "illegally." The state prosecutor asked for sentences of eight to 15 years in jail for "endangering the economy and state security."

The Cuban Government does not believe that freeing up the prices of farm products is the best way to deal with the black market, which feeds on the shortage of goods and the excessive amount of money in circulation. According to a study by the Center of Studies on the Americas, the excess money in circulation in Cuba "is not distributed equally among the population. It is mainly in the hands of small numbers of people, many of them Cuban speculators who make profits on the black market."

Carlos Lage, who is in charge of the island's economy, stated in November that freeing up prices would mean that much of the population, who depend on their ration books for survival, would not be able to afford basic goods. The alternative: to increase the supply of goods and services. To meet this objective, says Lage, Cubans are facing the challenge of becoming more productive and efficient.

* Pharmaceutical Sales, Developments Discussed

93CA0133A Santa Fe de Bogota EL ESPECTADOR in Spanish 9 May 93 p C1

[Article by Winston Manrique Sabogal]

[Text] He did not think twice, and after quickly sneaking up beside the tourist and cutting him off, the boy grinned as he held out a blue and white cardboard packet that said PPG (Ateromixol or cholesterol-reducing drug) in

dark letters. He did not let a second go by before he launched into his panting spiel: "Look, friend, this is PPG, the same thing that Commander Fidel uses.... And if you do not have a cholesterol problem, your money will not be wasted, because I am sure you have a relative or friend who does. Do not hesitate; do me a favor, and you will be pleased as punch."

Nothing more to be said—a timid nod from the buyer and laughing consent by each party, and the deal was done.

This is another thing that Cuba now demonstrates and exports: health. The years of forced amnesia, when they had to start from scratch after the brain drain following the revolution, are a thing of the past now.

But now the level of scientific knowledge is at or above the pre-1959 level, and the average age of the science professional is 32 years. This makes for a new and promising future in the field of health care, which has not received much funding in recent years.

However, Cuba is now making a profit on its exports of pharmaceuticals and medical instruments, says Cuba's consul in Colombia, Omar Morales. The effort was launched eight years ago and went into full swing in the 1990's, and is being promoted as an important sector in the island's economy. Indeed, last year Cuba exported approximately 14 billion pesos' worth of equipment and medicines to countries such as Brazil, China, Colombia, Mexico, Russia, Venezuela, Argentina, India, and Chile.

Among its high-technology products and research, in addition to the well-known PPG, are the only vaccine in the world against the meningitis that is caused by meningococcus B, one of the most widely recognized vaccines against hepatitis B, interferons, a wide range of generic drugs, sophisticated equipment for diagnostic testing, other tests for illnesses such as cholera, hemophylus, AIDS, diphtheria, and tetanus, and in general, research on biological control and tropical diseases.

These and many other results have been produced by nearly 100 centers and institutes involved in research, says scientist Celso Rodriguez of the National Center for Scientific Research (CNIC)-Dalmer Laboratories, which developed PPG, one of the most effective drugs against cholesterol.

It was at this same center where the island's scientific revolution was conceived in 1965. This institute emerged several months after Fidel Castro stated that "the future of Cuba would lie with men of science." The fact is that today this country is silently leading a great movement in Latin America and throughout the world not only to develop medications that directly serve the local population, but also some that benefit other countries suffering from diseases that have almost been eradicated in Cuba.

This was how the CNIC began generating other scientific institutes and centers, as the research projects became larger and more important, so that each one could meet its own objectives.

For the Cubans, "health and human life are a constant concern in the Cuban way of life, which has made possible increasingly significant advances in medicine."

Favorable Changes Instead of Adverse Reactions

Hence, one of its foremost projects has been the search for a drug that could bring down high levels of cholesterol, as this has become the leading cause of death in cardiovascular cases on the island. But there was another challenge: The medication had to be made with natural products, that is, resources from this country. Finally, they found in sugarcane a mixture of alcohols with the right molecular combination to reduce levels of low-density lipoproteins (LDL), the "bad" cholesterol, and of overall cholesterol.

The result: a new dual-acting drug that increases the destruction of lipoproteins and inhibits the synthesis of cholesterol. It also cleans out the blood vessels by reducing the desquamation of the cells that line them, and increases the internal protection of the vessels.

This medication has been given to more than 1 million Cubans over the last three years, says Celso Rodriguez.

It did not take long for this drug to cross the border, in view of the fact that cardiovascular diseases are the first or second cause of death in 70 percent of the countries in the world. In Colombia, for example, it is estimated that 30 percent of the population has excessively high cholesterol, according to a study by the National Institute of Health (INS). On the average, 20 percent of the adult population in the world has high cholesterol.

That is why it has not had a difficult time getting into other countries, such as Panama, Bolivia, Nicaragua, the Dominican Republic, and Jamaica. It is currently under study for regulatory purposes in Colombia, Chile, Argentina, Mexico, and other countries. In our country, it is expected to be authorized by the latter half of this year. Because it is a new active substance, it takes longer to be registered with health authorities and must be evaluated carefully, says Dr. Montserrat Noguera.

This product has been well-received on the international market because, unlike similar products, PPG does not cause adverse reactions. In fact, it causes favorable changes in the patient's physical and psychological life, and, therefore, in his or her sex life as well.

Nevertheless, not everyone who suffers from high cholesterol should take this medication. It is recommended after changes in diet have proven unsuccessful, and once the patient begins taking the medication, he must continue to follow the diet, says Celso Rodriguez.

The medication is limited to those over the age of 15, as pediatric studies have not yet been completed.

Keystone to Development

This may be the most popular medication in Cuba, but there are others, such as the recombinant DNA vaccination against hepatitis B, produced by the Center for Genetic Engineering and Biotechnology. This center is regarded today as the "keystone to Cuban scientific development," says Consul Morales, because it is one of the most prominent institutions in Latin America in the field of recombinant DNA.

Hepatitis B has become the number-two carcinogenic in humans, after cigarettes, and is the direct cause of 80 percent of the cases of primary hepatocarcinoma, or liver cancer. Right now there are 350 million asymptomatic carriers in the world.

In Colombia, this virus has a medium to high incidence in the population, with medium being 2 to 7 percent of the population and high being above 7 percent. There are about 1.5 million carriers in this country, nearly 5 percent of the population.

The vaccine thus makes this illness the only form of cancer that is preventable and controllable by means of a biological product, says Dr. Carlos Espinal Tejada. And in addition to preventing hepatitis B, it also prevents hepatitis D.

For this reason, the World Health Organization recommends universal vaccination. Colombia began to benefit from this product because of a debt Cuba owed us. Fifty percent of the value of the vaccinations and specialized equipment goes toward paying off that debt. The technology known on the market as Suma is used to diagnose hepatitis B and C and illnesses such as AIDS, leprosy, and Chagas' disease.

World Exclusive

"One more illustration of the fact that Cuba regards technology as one of the mainstays of development," says Fredy Lehner Toro, president of Bioleher, is the creation of the only effective vaccine in the world against meningococcus B (Vamengoc-BC). This illness advances very rapidly and can kill a child in a matter of hours. The worldwide mortality rate for children infected with meningococcus B, which is very common in Latin America and Colombia, is between 15 and 18 percent.

In spite of that, the illness is almost unknown in our country. There is only passive reporting, that is, reporting of registered patients, with the exception of Antioquia, where officials have been working with Cuba for several years to seek out cases. In Itagui, the vaccine was tested in the infant population, with 60,000 dosages being donated by the Cuban Government.

On the island, studies of this vaccine began in the 1970's, when meningococcus was one of the most common causes of infant mortality and threatened to become a public health problem. A group of scientists from the Finlay Institute were assigned to solve the problem, and seven years ago they developed Vamengoc BC.

Thus, for example, in the last two years 32 million dosages of Vamengoc BC have been sent to Brazil.

And although the international medical community recognizes the effectiveness of the vaccine, not all children in the world have access to it, for unrelated reasons: politics. In the United States, a group of specialists asked first lady Hillary Clinton to explain why political problems turn into health deprivation.

To support these and other research projects, Cuba has the National Center for the Production of Laboratory Animals (Cenpalab), where the animals intended for experimentation are free of pathogens and are kept in sterile quarters in order to provide greater guarantees for the research that is carried out.

Scientific institutions also have sophisticated rooms, white or sterile areas valued at up to 175 million pesos apiece, according to Celso Rodriguez.

All of these centers boast the most modern technology in the world and personnel trained at the most prominent international scientific institutions. So it is the same science as that of industrialized countries, but with a double advantage: in Spanish.

In addition, the island is beginning to promote a new line that is gaining momentum throughout the world: health tourism. The International Center for Pigmentary Retinosis is one example of an institution following this line; there are also places that treat stress.

Because today Cuba is selling health, it hopes that after the dialogue, there will be nothing more to be said. A timid nod from the buyer and laughing consent by each party, and the deal is done.

[Box, p C1]

In All Areas

Here is an indication of what six of the main scientific institutes in Cuba produce and research:

- National Center for Scientific Research: PPG or Ateromixol, equipment to carry out double biograms [anfibiogramas] in four hours.
- Finlay Institute: Vaccines for meningococcus BC, vaccine for tetanus, vaccine for diphtheria, vaccine being developed for triple bacteria, vaccine being developed for cholera, vaccine being developed for hemophylus.
- Pedro Koury Institute for Tropical Medicine: Diagnostic kit for dengue, amoeba histolytica coatoxo, to detect toxoplasmosis in patients with AIDS, and human fasciola.
- Heber-Biotec Center for Genetic Engineering and Biotechnology: Recombinant DNA vaccine against hepatitis B, interferons, recombinant streptokinase, diagnostic tests for AIDS, genetic engineering products.
- Davih Tecnotex Laboratories: Confirmation test for

AIDS, confirmation test for HTLV-1 virus paraparesia, human brucellosis.
- Tecnosuma Immunoassay Center: Diagnostic kits for HIV1 & 2, Chagas' disease, dengue, leprosy, toxoplasma, rubeola, congenital diseases, hepatitis B and C.

Matanzas Sets Monthly Record for Crude Oil Production

PA2206171393 Havana Radio Havana Cuba in Spanish 0000 GMT 20 Jun 93

[Report by Wilfredo Alayon from Matanzas]

[Text] With the production of 75,000 tons of crude in May, oil producers in Matanzas set a record for a single month. They increased the accumulated production for the year to over 371,000 tons, almost 90 percent of the planned production to date. The Matanzas Oil Drilling and Extraction Enterprise is carrying out an investment program this year aimed at producing 1 million tons of hydrocarbons, approximately three-fourths of the total expected production nationwide.

According to Marcos Aguilera, director of the enterprise, which is an agency of the Ministry of Basic Industry, in order to begin to recover from the drop in the extraction of oil here in Varadero, it will be necessary to achieve a number of objectives. He emphasized these include putting into operation the first of three installations to produce needed quantities of a solvent for reducing the viscosity of the local crude.

Aguilera described as positive for oil operations the stabilization of the transportation of local fuel by sea from the port of Cardenas to domestic destinations. The goal is to begin an exploratory well in [name indistinct] Bay in the last quarter of the year, and two others in waters off the northern shore by September 1994.

Although local oil production does not satisfy present needs, it alleviates the country's fuel requirements, especially when the crude is used primarily to run thermoelectric plants.

* Senator Describes Meeting With Castro

93CA0135A Cali EL PAIS in Spanish 10 May 93 pp B-8

[Article by Senator Daniel Villegas Diaz; first paragraph is EL PAIS introduction]

[Text] Santa Fe de Bogota—Conservative Senator Daniel Villegas Diaz was part of a Colombian congressional delegation that went to Havana a few days ago and spoke with Fidel Castro. Here is a report on their meeting with the Cuban president.

Obviously, any government official or congressman—as was the case with us—who visits Cuba hopes to be able to meet with President Castro.

No doubt about it, Castro is one of the most outstanding figures in contemporary history, especially for those of us who have had the opportunity to follow his progress throughout the years: first as a guerrilla and then as a chief of state.

Regardless of whether one agrees with his thinking, the actions of his government, the exportation of the Cuban revolution, and the influence the revolution has had on the lives of Latin American peoples, Castro is unquestionably an individual who cannot be ignored.

We have heard fact and fiction about him; stories and legends have been made up about his life; there has been speculation about why he wears a beard, and why his uniform bears no insignias; and some even say that he has not quit smoking, he just does it in secret. People consider him a mythical person.

The attentive hosts assigned by the government to accompany us during our visit to the island said that even though a meeting with Fidel was not on our agenda, it might happen at any moment. He was very interested in our visit, they said, and when his schedule allowed it, he would meet with us.

Castro was out in the provinces implementing the "food plan," the government's top priority at the moment. His style is to get involved in every detail of a project, and this plan was no routine program.

Dialogues with Fidel did not always conform to the rules of protocol, so it was likely that he would be the one to show up at the guest house where we were staying.

We waited all week long, and it was not until the next to the last day that the meeting took place. It was in his office. We arrived at the government building accompanied by Ricardo Alarcon, president of the Assembly of Deputies. We saw no presidential guard, or at least none in uniform.

Without going through any inspection, we were taken to the elevator in the foyer, and we got on with the official assigned to escort visitors. When the elevator reached its destination, we were led to a stark, plainly furnished meeting room. We waited there for 10 minutes, and then President Castro appeared, accompanied by a photographer.

Bolivar's Route

With a casual "Who's this?" he turned to us, since there was no chief of protocol. Each person extended his hand, and he immediately invited us to go into the chamber where he meets with his ministers, an equally plain room. We sat at a long table with chairs on either side. He sat at the middle of the table in his usual chair, with Alarcon on his right and us across the table.

To break the ice, he asked us what regions we were from, and when he found out some of us were from Santander, he wanted to know if Bolivar had begun his liberation movement there. When we began to explain, he asked for a map so that we could show him the route followed by the Liberator, with a discussion of the topographical aspects of the journey.

Other topics of discussion were a comparison of the territory and density of Cuba and Colombia and the situation of our coffee on the world market, a subject in which he is well versed.

He also asked our opinions of our new Constitution, and he spoke very sincerely about Cuba's difficult plight. He also discussed the democratic liberalization that emerged during the recent elections.

When he was reminded that the 45th anniversary of the *Bogotazo* [riots following assassination of Liberal Party leader Jorge Eliecer Gaitan on 9 April 1948] was commemorated recently and that he had happened to be present staying at the Hotel Granada when those events occurred, the commander recounted with astounding detail things that we had forgotten.

He spoke of Gaitan, with whom he met for the second time on the afternoon of his assassination (they had met for the first time the day before). He mentioned the "peace prayer" and Gaitan's defense of Lieutenant Cortez.

With geographic precision, he told how he had climbed part way up Cerro Monserrate and seen the city in flames and the stores being looted. Then he described joining the mob, and told how a handful of people had taken up arms and seized a police station after taking over a bus.

Finally, he told how he was able to return to Cuba on a cargo plane that had brought some fighting bulls to Bogota from Havana.

Our chat lasted two and a half hours, in a very pleasant atmosphere punctuated by jokes. During the dialogue, this celebrity who is able to attract more than 200,000 people to the Plaza de la Revolucion for his fiery, hours-long speeches, was not aloof at all but very friendly to us. He displayed the paternal image of a man who is showing his age, wearing his plain uniform, and standing at 185 centimeters and weighing approximately 90 kilos. He even gave us his autograph for our children.

* Gaviota Predicts Increase in Tourism

93P20194A

[Editorial Report] Havana GRANMA in Spanish of 4 June 1993 on page 2 reports that the Gaviota Corporation expects 34,600 visitors this year, an increase over the 27,000 tourists who stayed in Gaviota hotels in 1992. The article reports further that, according to Gaviota's general director, Tomas Benitez, tourists come from, in order of importance, Canada, Argentina, Italy, Germany, Mexico, and Chile. Benitez explains that Gaviota expects to reach a 2,300-room capacity by 1995.

University Students Federation Elects New President

FL2306013893 Havana Radio Rebelde Network in Spanish 2300 GMT 22 Jun 93

[Excerpt] [passage omitted] Just moments ago, the national council of the University Students' Federation [FEU] concluded in Ciego de Avila. During the meeting, the participants approved a congratulatory letter to all the people of Santiago on the occasion of the honor they have won. The latest news is that Carmen Rosa Baez has stepped down [ha salido] and a new president for the FEU has been elected. Otto Rivero Torres, who had been vice president of the FEU, is now the new president of the organization. Furthermore, six comrades have been appointed to renew the national secretariat of the FEU.

Closing remarks were made by Maria de los Angeles Garcia Alvarez, a member of the Politburo, who also oversees the educational sphere. These are the latest reports from Ciego de Avila.

Sentences Given to 13 Convicted of Livestock Theft

FL2206133093 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 22 Jun 93

[Text] The exemplary trial of Case No. 167 of 1993 of Havana Provincial Court was held at the San Jose de las Lajas Multipurpose Center. The crimes were strong-arm robbery, theft, cattle slaughter, illegal sale, and illegal possession of weapons.

A group of Havana City residents engaged in stealing horses and cows in Havana Province for slaughter and sale of their meat. Several people and facilities in the province were their victims: the Arco Azul Horse Farm in Artemisa, El Lista Farm in San Jose de las Lajas, cattle farms of Nina Bonita, Los Naranjos, and Valle del Peru Livestock Enterprises, as well as farms in Batabano and Melena del Sur Municipalities. Estimated damages total over $120,00 in hard currency.

The 13 criminals include two citizens who were returned as undesirables from the United States in 1991. The majority of the members of the group has criminal records. The trial was permeated with countercharges among the accused who kept inculpating each other. The crimes took place between August and November 1992.

Following an 11-hour trial, the provincial court issued a sentence of 20 years' imprisonment for Andres "Coqui" Basquez for strong-arm robbery, illegal livestock slaughter, transportation and sale of meat, receiving stolen goods, theft, and illegal weapon possession. The court also issued sentences, ranging from 15 years' imprisonment to fines, to the other 12 accused.

According to the provincial National Revolutionary Police spokesman, livestock theft and slaughter represents 70 percent of the criminal activity in Havana Province, which has the highest rate of this crime in Cuba.

Inter-Caribbean Affairs

Agreement To Join Caribbean Parliament Signed

FL1906003293 Bridgetown CANA in English 1903 GMT 18 Jun 93

[Text] St. John's, Antigua, June 18, CANA—Antigua and Barbuda has become the seventh member of the Assembly of Caribbean parliamentarians, the Ministry of Foreign Affairs said Friday.

An official statement said External Affairs Minister Lester Bird signed the agreement on behalf of the government at a ceremony here Thursday.

The agreement, "provides for the establishment of an assembly of parlimentarians from each Caricom member state drawn from both sides of the House (of Representatives," the release added. It said the assembly, "will have deliberative powers only, and will not be able to make legislation." Legal consul to the Caricom secretariat Bryn Pollard was present at the signing ceremony.

Haiti

Cedras 'Ready To Meet' With Aristide on Neutral Field

FL2206134393 Port-au-Prince Signal FM Radio in French 1030 GMT 22 Jun 93

[Text] Dante Caputo, UN/OAS special envoy for Haiti, has received a written communication from the commander in chief of the Haitian Army, announced a UN spokesman in New York. Caputo is analyzing this document and has no comment, according to the spokesman, (Juan Carlos Brandt). A reinforced regime of sanctions against Haiti should be effective on 23 June at 0100 unless political negotiations succeed by that time.

On 21 June, Antoine Joseph, president of the Haitian Chamber of Deputies, called on General Raoul Cedras to meet with ousted President Jean-Bertrand Aristide. Informed sources in Port-au-Prince say that a high-level parliamentary and military delegation might go to New York for negotiations under the aegis of the United Nations and OAS. According to a letter sent to international UN/OAS mediator Dante Caputo by Gen. Cedras and made public on the night of 21 June by the secretariat of the General Staff, Gen. Cedras, chief of the Haitian Army, is ready to meet with President Jean-Bertrand Aristide.

In his letter, Gen. Cedras recalls that the president of the Chamber of Deputies told him to meet personally with Father Aristide in order to resolve the crisis. In a strong position because of the legal protection of Article 3 of United Nations Resolution 841, the Haitian Armed Forces have decided to accede to the wishes of the Chamber through their commander in chief, says the letter. The specific mission of Gen. Cedras at this meeting is to raise the true problems of the survival and life of the nation, regardless of personal considerations or narrow and selfish views, the letter says.

The Armed Forces, however, call for urgency, the use of a neutral field, and all guarantees of security and comfortable freedom for the members of the delegation, explains the document. Gen. Cedras concludes: I am convinced you will order that the imposition of the embargo measures decided against Haiti by the [UN] Security Council is not justified, at this precise moment, against a country in which life would become more terrible than death.

Aristide-Cedras Meeting Expected To Solve Crisis

PA2306023293 Madrid EFE in Spanish 0146 GMT 23 Jun 93

[Report by Herold Jean-Francois]

[Text] Port-au-Prince, 22 Jun (EFE)—Political groups believe the scheduled meeting between President Jean-Bertrand Aristide and General Raoul Cedras could end the crisis that has adversely affected Haiti since 30 September 1991, when a group of military officers overthrew the country's first democratically elected president.

Aristide has agreed to meet with Cedras, who headed the coup that overthrew him, diplomatic sources told EFE at the United Nations. According to the sources, the meeting could be held in Aruba next week.

Even though the report was not made public in Haiti on the evening of 22 June, political sources consulted by EFE said a solution to the crisis could emerge from this meeting.

Evans Paul, mayor-elect of Port-au-Prince, also a member of the presidential commission appointed by Aristide to negotiate on his behalf in Haiti, was pleased with the meeting.

"I believe it is indispensable to solving the crisis. I think it is a real effort to solve the crisis because as the Haitian saying goes, when four eyes meet, the lie ends," Paul said.

Meanwhile, EFE has learned that Cedras is waiting for Dante Caputo, UN and OAS envoy to Haiti, to give him the date of the meeting so Cedras can travel possibly to the United States and then on to the venue of the meeting, probably Aruba.

The announcement of the possibility of a meeting was made after the UN Security Council imposed an embargo on oil and military and police equipment on 16 June to force the de facto Haitian Government to solve the crisis and allow Aristide's return to power.

The resolution also implies the freezing of funds deposited abroad belonging to the de facto authorities and government agencies and a land and sea blockade that will go into effect at 0400 GMT on 23 June.

Just a few hours before the sanctions are to be enforced, the Haitian people have not shown a great deal of concern and there has been no panic such as that exhibited at gasoline stations on 17 June when the UN resolution was announced.

The Commerce Ministry took several steps to prevent the depletion of fuel reserves, including rationing gasoline and other products between 0700 and 1700.

Service stations will be closed on Sundays and holidays and night sales are prohibited.

The major workers unions and federations called for a strike on 24 June in an attempt to force the military to abandon power and allow Aristide to return.

Dupiton Urges Aristide To Practice Self-Denial

FL2206154193 Port-au-Prince Radio Metropole in French 1045 GMT 22 Jun 93

[Text] The 15 June parliamentary act reinstating President Jean-Bertrand Aristide has been published in the MONITEUR.

In a letter addressed to Father Aristide, Senator Thomas Eddy Dupiton writes, quote: This legal act symbolizes the last episode announcing the desired and expected solution of this regrettable national tragedy that has lasted too long, unquote. For the parliamentarian, the publication of the decree in the official newspaper of the Republic is an acceptable patriotic concession. Senator Dupiton invited the officially reinstated president to show self-abnegation in order to save what can be saved of the honor of the Republic and of the economic, social and cultural patrimony of the Haitian community.

Larosiliere, Dupiton on Negotiations, Delegations

FL2206160193 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 22 Jun 93

[Text] Senator Julio Larosiliere said during an interview with AHP, HAITIAN PRESS AGENCY, that the Army has nothing to do with the country's political business, that it must enter its barracks, and that any military who supposedly decide to travel in order to negotiate will take upon themselves the responsibility [for what may result].

For his part, Senator Eddy Dupiton stated that the legislative power has decided to form a bicameral commission which may include two Army General Staff members. In a letter to UN Secretary General Butrus Butrus-Ghali, Dupiton said he was favored resuming negotiations. This senator allegedly prefers the Dominican Republic as the meeting place.

Regarding the promoter of the 15 June decree [restoring Aristide to presidency], i.e., Julio Larosiliere, the senator explained in the same interview that President Jean-Bertrand Aristide is the president of the Republic of Haiti and the only one who can make decisions, especially as to changes he wants to make within the institutions. Sen. Larosiliere further said that no parliamentary delegation will travel to New York for negotiations because no invitation has been extended.

Chamber of Commerce on Consequences of UN Embargo

FL2206155993 Port-au-Prince Signal FM Radio in French 1030 GMT 22 Jun 93

[Excerpt] The Haitian Chamber of Commerce and Industry asked in a 21 June communique that the institutions, national parties, and international authorities concerned in this crisis take into consideration, as a matter of priority, the superior interests of the imperiled Haitian nation. The main employers organization of the country calls the attention of the whole international community to the particularly tragic consequences that would result from the application of Resolution 841, and to its responsibility and that of its representatives.

Any option departing from constitutional order is adventurism and is reprehensible in advance, concludes the communique signed by the president of the [Haitian] Chamber of Commerce [and Industry]. [passage omitted]

Further on Chamber of Commerce Embargo Meeting

FL2206204893 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 22 Jun 93

[Text] The Haitian Chamber of Commerce and Industry, CCIH, met at its headquarters in the Bicentenaire section of Port-au-Prince on the morning of 21 June to discuss the latest UN Security Council resolution ordering an embargo on petroleum products and military equipment to Haiti. The CCIH has again taken a stand. After much consideration, the CCIH has decided to demand:

1) That the institutions and groups in the countries and international organizations concerned with the crisis take into consideration the nation's higher interests, which are in jeopardy.

2) That a solution be found to the crisis as soon as possible, with the immediate and unequivocal return to constitutional order in Haiti through concessions.

Government Announces Fuel Rationing on Eve of Embargo

PA2306020293 Paris AFP in Spanish 0117 GMT 23 Jun 93

[Text] Port-au-Prince, 22 Jun (AFP)—The Haitian Government on the evening of 22 June announced fuel rationing measures hours before the implementation of a UN petroleum and military embargo against this country.

This embargo is scheduled to go into effect at 0000 on 23 June (0100 in New York and 0400 GMT on 23 June) to pressure Port-au- Prince authorities into accepting the return of President Jean- Bertrand Aristide.

A government communique orders all gas stations nationwide to sell fuel to motorists between 0700 and 1700 only and to close on Sundays and holidays.

Haiti has fuel reserves in gas stations that will last until late July, management sources said.

An OAS embargo decreed on October 1991 to bring President Jean-Bertrand Aristide back to power did not include Europe and Africa, thus Haiti managed to get supplies in Rotterdam. That route will now be closed.

Unions Hold News Conference, Announce General Strike

FL2206212293 Port-au-Prince Radio Tropic FM in French 1200 GMT 22 Jun 93

[Report on news conference by affiliated labor unions in Port-au-Prince on 21 June—recorded]

[Excerpts] Eight affiliated labor union groups have raised their voices to denounce the repression and poverty that has prevailed in the country since the 30 September 1991 coup d'etat. The eight groups have called for a general strike on 24 June. Here is Jeansoi Joseph with details.

[Joseph] Eight groups of affiliated labor unions, including the Federation of Workers Trade Unions, the Confederation of Haitian Workers, the General Organization of Workers, the General and Independent Organization of Workers, and others have called for a general strike for Thursday, 24 June. The purpose of this general strike, according to the unionists, is to apprise the military authorities and the Alliance [for Parliamentary Cohesion] of the position of the unions and the people on the question of a restoration of democratic order and the return of President Jean-Bertrand Aristide. Let us listen to Cajuste Lexius.

[Lexius] ....so that we can show our determination to struggle along side the Haitian people, the union sector [changes thought] we are asking the entire Haitian people, all workers, and all drivers to stay home on 24 June for a 24-hour national strike. The purpose of this strike is to show our determination, to say we have had enough, that the Haitian Army must return the Haitian people's government to the person the people chose on 16 December 1991 and 20 January 1992.

[Joseph] According to Jacques Lucien of the Confederation of Haitian Blue-Collar Workers, the unionists also denounced all violations of the Constitution of the Republic committed through illegal arrests, illegal parliamentary decrees, and the illegal elections of 18 January. [passage omitted]

The high cost of living, rape, theft, repression are the consequences of the 30 September 1991 coup, said the unionists during a news conference on 21 June during which they analyzed the Haitian people's economic situation following the coup d'etat. [passage omitted]

Manigat Recommends National Resistance

FL2206223693 Port-au-Prince Radio Metropole in French 1045 GMT 22 Jun 93

[Excerpt] On the fifth anniversary of his overthrow by the Army in 1988, former president Leslie Francois Manigat held a news conference on 21 June, in which he presented the choice with which Haiti is faced—the choice between capitulation to the foreigner, or national resistance. He proposes a war economy and a government with special powers in Haiti. Rothschild Francois filed a report:

[Begin recording] Five years after his overthrow by the military, Leslie Manigat today presents himself as man of the hour. The former president says he is ready to take charge of leading the state should the nation call on him to do so. Analyzing the crisis, the leader of the Assembly of Progressive National Democrats [RDNP] asserts that two alternatives are open to us: national resistance to foreign dictates or capitulation to it. Leslie Manigat prefers national resistance. To him it is clear that we should not bend to the sanctions of the international community.

Choosing national resistance, the former president proposes a war economy. He speaks of allocating resources to various sectors according to the national interest. A war economy, according to Manigat, implies priority efforts to increase national production to satisfy the domestic market.

On the political plane, Leslie Manigat proposes a regime with special powers, one that is serious and respects democracy. He explains that such a government would take charge for as long as the blockade lasts. Manigat specifies that an electoral deadline is necessary while institutional reforms are being made. Furthermore, he recommends a new Constitution appropriate to the situation, and rules governing legislative eligibility. Here Manigat brandishes the principle of competence.

Leslie Manigat, calling for a burst of nationalism given the juncture, points out that he does not favor isolation. It is necessary to reactivate the diplomatic machine. Analyzing the sanctions by the international community, Manigat notes their disregard for Haiti's internal rights in the solution. The former head of state says no to capitulation. [passage omitted]

During the news conference, Manigat announced the RNDP's fifth convention, to be held on 10, 11, and 12 August. The members of the RDNP plan to assess the party's 14 years of existence and consider a number of prospects. According to Manigat, this congress will serve to update the RDNP bible, its program: to change life. The congress will also discuss how to regain power democratically.

Referring to the fifth anniversary of his overthrow by the Army, Manigat considers it a loss to the country and to the progress of the democratic process in Haiti. [end recording]

Source Reports UN Favors New Army General Staff

FL2206231993 Port-au-Prince Radio Metropole in French 1600 GMT 22 Jun 93

[Text] The daily newspaper, LE NOUVELISTE, on 21 June quoted a source reporting the United Nations favors dismissal of the Army general staff. Consultations, according to LE NOUVELISTE, are being held for choosing a new general staff from the ranks of captains and majors.

Solana Holds News Conference After Meeting

PA2206034793 Mexico City NOTIMEX in Spanish 0201 GMT 22 Jun 93

[Report by Fernando Ledezma]

[Text] Washington, 21 Jun (NOTIMEX)—Mexico and the United States have agreed to improve their struggle against drugs without allowing "more agents nor more operations" by the United States on Mexican territory, Foreign Secretary Fernando Solana stated in Washington on 21 June.

Solana announced at a news conference that during the 10th Binational Commission meeting his country and the United States discussed the extradition treaty, North American Free Trade Agreement [NAFTA], customs cooperation, telecommunications, and education.

Besides agreeing to create a federal liaison group that would include the Mexican Foreign Secretariat and the U.S. State Department to curb violence on the border, the two countries decided to strengthen environmental aspects at the border.

Solana stated that during the Commission meeting the United States accepted a Mexican proposal to take to the United Nations "the idea of a think-tank for a new strategy in the struggle" against narcotics.

The new approach to the drug strategy includes placing greater stress on the aspects of consumption and "money laundering." The two countries "reaffirmed their decision to continue to work closely," the Mexican official stated.

Solana indicted the exchange and upgrading of information between Mexico and the United States in the war on drugs will be greater, but there will be "neither more agents nor more DEA operations."

"The fact is we have won some battles. In Mexico to be specific we have achieved some successes lately, but the war on drugs on a general, worldwide level is gaining on us," Solana noted. "It is a war we have to win by working and coordinating with the rest of the world," he added.

Solana announced that included among the agreements reached during the Binational Commission meeting held 21 June at the U.S. State Department was the decision to advance "with a solution regarding the extradition treaty."

According to Solana, the two countries will begin "immediately, in the next few days" talks on the topics "either through parallel protocols or to revise the extradition protocol currently in force" between the two countries. "The criteria that will guide" the revision "have already been established," he added.

The Mexican foreign secretary reiterated the decision to include a specific clause in the extradition treaty to prevent extraterritorial kidnapping and explained the measure would only be at the binational level. The objective of the revision of the extradition treaty will be "to make definitely sure" there will be no repeats of kidnappings within the jurisdiction of either of the two countries by the other nation, Solana stated.

The Mexican foreign secretary led a delegation of 19 high-level officials who met on 21 June in various working groups with their U.S. counterparts.

Solana described the bilateral relationship as "intense and complex" and he said the working groups met "in an atmosphere of harmony and respect for the style of each country." He reiterated a commitment made by Mexico and the United States that NAFTA, which was also negotiated with Canada, would become effective as of 1 January 1994, according to the date established in a document signed in December 1992.

"Trade between the United States and Mexico was very ample before the treaty. Once the treaty takes effect, this trade may increase significantly," he added.

With an exchange on both sides of approximately $75 billion in 1992, Mexico ranks third as U.S. commercial partner, behind Canada and Japan.

Solana reported to Mexican and special correspondents that it had been decided that an agreement to prevent double taxation signed in September 1992 by Mexico and the United States will take effect in 1993. It was also decided to hold seminars and exchange information on greater customs cooperation to increase efficiency in both countries.

During the Binational Commission meeting, the United States admitted the efficiency of Mexico's programs to preserve species. It was confirmed that a meeting will be held on 15 and 16 July in Texas to seek mechanisms to finance improved border infrastructure. The meeting will be held in San Antonio and will be attended by Mexican Social Development Secretary Luis Donaldo Colosio Morrieta and U.S. Commerce Secretary Ronald H. Brown.

Although there are differences in various aspects of bilateral relations—on topics such as extradition and immigration issues—Solana feels "this has been a good dialogue." But he clarified that both countries "did not always agree on all aspects."

Mexico and the United States signed two bilateral telecommunications agreements on the use of transmission frequencies and on expanding cellular radio communications along the border. They also signed agreements in the field of education relating to cultural exchange and drug abuse prevention.

The Mexican delegation left on the afternoon of 21 June and returned to Mexico.

President Salinas Meets With PRC Official

PA2206163493 Mexico City XHTV Television Network in Spanish 0200 GMT 22 Jun 93

[Text] On 22 June, President Carlos Salinas de Gortari met with Chen Muhua, vice president of the National People's Congress of the PRC at Los Pinos Presidential Palace. The vice president is currently in Mexico on an official visit. President Salinas and the Chinese official talked about several topics included on the bilateral agenda.

The Mexican president also met with the various municipal presidents, solidarity committee representatives, and fishing entrepreneurs representing 16 fishing communities located throughout Mexico.

PRI Forms New Commission; Official on Voting Rights

PA2206170193 Mexico City XHTV Television Network in Spanish 0200 GMT 19 Jun 93

[Text] As of 18 June, the Institutional Revolutionary Party, PRI, has a new body—the International Affairs Commission. At a meeting of the party's National Political Council, PRI President Fernando Ortiz Arana installed the International Affairs Commission, which is formed by politicians and career diplomats.

[Begin Ortiz recording] Our party must maintain a greater international presence. In these times there are no isolated countries or political parties. The interrelations and interdependence of our time demand communication among political parties all over the world. [end recording]

Another participant in the meeting was Mario Moya Palencia, who defended the rights of extremely poor people worldwide and of neglected Mexicans who do not have access to cultural and economic goods.

[Begin Moya recording] We might be rubbing shoulders with the wealthy, but this country still lacks many things. [end recording]

Jorge Bustamante, Northern Frontier Association [Colegio de la Frontera Norte] president, said this is not the time for Mexicans living in the United States to vote. He explained that several million Mexicans are undocumented and upon voting they would be detected by U.S. immigration authorities.

[Begin Bustamante recording] We should not disregard, let alone become defensive about, irresponsible proposals made by political parties that advocate granting the vote to Mexicans as a strategy based on demagoguery and ignorance. [end recording]

Bustamante said that the Mexican Government is trying to establish bilateral negotiations with the United States regarding this issue

* Labor Law, Constitutional Changes Urged

93CA0141A Mexico City LA JORNADA in Spanish 27 May 93 Labor Supplement p 9

[Commentary by labor law specialist Nestor de Buen: "The Reform That Has Not Come, But Should"]

[Text]

Is Reform of the Federal Labor Law (LFT) Necessary?

The reform of the Federal Labor Law (LFT for short) is a recurrent, an annoyingly recurrent issue. Everyone talks about it; official and unofficial proposals are mentioned; it is said to be a commitment in the manner of the "FTA" [free Trade Agreement]; campaign and presidential promises are recalled, and yet nothing is being done. "E pur, non si muove," if that is how one puts it.

Management insists on it, and their plea deserves a better fate. In contrast, invoking an "onslaught by employers," Fidel's response to any request by Hector Larios Santillan's Coparmex [Employers Confederation of the Mexican Republic] (back then), which was made on warm Mazatlan beaches, organized labor flatly rejects it, though this is less organized labor than the personal preference of the insistent CTM [Confederation of Mexican Workers] leader. Because I have a feeling that not even in our best known labor confederation is there complete agreement on the policy of no change. In turn, the other disciplined members of the useless Labor Congress cling to the rejectionist position, though hinting at certain reservations or leaving the door open, just in case.

I am absolutely convinced of the need for reform. And now, in defense of my position, I would like to put forward not arguments that might entail a basic change in their institutions, but rather a simple reference to whopping mistakes that time has corrected in violation of the law. This really is not valid, but it is the only alternative to absurd situations, as time, which is a patient yet ultimately fair judge, has well demonstrated.

The problem is that not just the LFT would have to be changed. The much amended Article 123 of our constitution would have to be overhauled too, just to make it look nice, without altering its character or substance. This would have to be done too, from different perspectives and for different purposes.

Here are a few issues, almost at random.

The Length of the Workday and Overtime

As any specialist in this delicate issue of labor law knows, Subsections I and II of Section "A" of Article 123 of the constitution, which concern the length of the workday and the ban on working overtime more than three days in a row, as Subsection XI of the same section provides, contain a slew of contradictions dictated by sheer necessity. Thus, a solution always depends on an Olympian

disdain for this constitutional provision and on inspectors who will look the other way, quite rightly, in enforcing labor laws.

Let us say that there is a clear awareness (it is so obvious that it requires no evidence) that certain industrial activities cannot be halted and thus demand uninterrupted work. But in stark contrast to this position, the workday is said to consist of 22.5 hours, an hour and a half less than an actual day. Why? Because Subsection I of Section "A" (from now on I will omit Section "A," it being understood, save for a pertinent clarification, that I am referring to it) establishes a maximum workday of eight hours, while Subsection II envisions a night shift of seven hours. Meanwhile, the LFT establishes an intermediate workday of seven and a half hours (Article 60). And the result of these provisions and the ban on working overtime more than three days in a row (a constitutional restriction) or more than three times a week (a regulatory invention, Article 66) is ridiculous. Because if someone wants to work the remainder of the intermediate workday or night shift, the only option is to break the law and work a half hour or a full hour overtime per shift, which should only be done three times a week. But if people comply with the constitution and the law, continuous work is impossible.

The situation is so absurd that Article 32 of the Social Security Law provides for a hypothetical permanent overtime, which incorporates wages for the purpose of paying dues; Article 143 of the LFT does this as well in connection with dues to Infonavit [Institute of the National Fund for Workers Housing].

The argument that the Constitutional Convention had in mind in enacting such a provision is obvious. It believed, correctly, that people are designed to work by sunlight or for a reasonable time during the day and that if forced to work at night, they ought to be compensated in some way. But the Constitutional Convention and our regular lawmakers chose the wrong solution and created a real mess that we are still in 76 years later. Perhaps because of our devout respect for long-standing social institutions (the few that remain).

Wouldn't it be much more reasonable to increase the wage for the intermediate workday and night shift and leave them at eight hours?

Some suspicious individuals would argue that this solution violates another hallowed principle, to which we are paying less and less heed, namely, equal pay for equal work. But there would be no such violation, inasmuch as the conditions under which the work is being done could also be regarded as different. Just think about the different geographic areas that are taken into account in the case of the minimum wage, or the idea of high-cost-of-living areas included in certain collective bargaining agreements, or unhealthy or dangerous work, all of which allow for different levels of pay for people who perform the same job, if two individuals can ever do exactly the same thing, which by the way is not that likely in the real world.

No one can deny the need for constitutional and legal reform.

The Minimum Wage as a Household Wage

The problem arose before the Constitutional Convention. Doubtless with the best of intentions and advancing a view that I shared until just recently, the convention said that the minimum wage would be "the wage that is regarded as sufficient, in light of conditions in each region, to meet the normal needs of a worker's life, his education, and his decent pleasures, he being regarded as the head of household" (original Subsection VI of Article 123). The present-day text, which in this regard constitutes the second paragraph of the same Subsection VI, omits the moralizing about "decent pleasures," fortunately, but includes the wording about the normal needs of a head of household, with the burdensome expenses of compulsory schooling.

It has always struck me as odd that compulsory schooling, which under Article 3 of the constitution will be free when provided by the State, has to be supported by the assets of the workers or, at least, be invoked to gauge the size of the minimum wage (which no doubt provides for very little education, given its level), above all if we bear in mind that textbooks are also free, albeit very much under attack.

But this is not the main issue. What is noteworthy is the consideration that the minimum wage has to apply to a head of household. This is unquestionably an instance of "do not defend me, compadre," similar to Lopez Mateos's marvelous idea of prohibiting women from working overtime, which was summarily stricken from the LFT in 1970 after protests...by women. The assumption is that a young worker who takes a minimum-wage job already has a family to support. It is fine for us to be an amorous, procreative people, but we would be done for if we thought that heads of household ought to live off the minimum wage. It is equally preposterous to assume that a worker on his first job is, by definition, a head of household. That could be, but it is not typical.

Clearly the point is not to lower the minimum wage because neither a family nor education have to be taken into account. But there would be nothing to prevent us, for example, from setting one minimum wage for a single man (or woman) who does not have a family to support and another, higher one (of course) for those who do have such responsibilities. In such an amorous country, though, the effect on the rate of population growth could be dramatic, of course.

The Rights of Old Folks

Old folks tend to be the ones who write laws. It is something akin to the legendary tradition of the councils of elders to which young people always turned for advice

and solace and which, for the same reason, wrote the laws. But whether old folks write them or not, what seems clear is that when they are the issue (except for decisions about their generous pensions, of course), hearts soften and marvelous privileges are granted them.

One of these privileges is set forth grandiosely in the LFT. Article 159 regulates what Manuel Marvan, a fine attorney and authority on labor law, called the "one-eyed scale." I am talking about how it enshrines the right to promotion based solely (or almost) on seniority, inasmuch as it says that if the boss has provided training (if he has not, the person with seniority is automatically promoted), the person with seniority who has demonstrated that he/she is qualified will be entitled to promotion. Not, of course, the best qualified person.

Add to this rule another complementary one. Training is obligatory for the boss, but not for the workers. In light of these seniority rights, the workers naturally are not in the least interested in receiving training because even if they get a 10 on the exam, and the older fellow gets a 6, he gets the job because he has proven that he "is qualified."

It is true that the rule is not enforced much. But it exists, scuttling any serious attempt to enhance productivity.

There are other ways, of course, to reward loyalty. The IMSS [Mexican Social Security Institute] collective bargaining agreement establishes a seniority prize that is not a wage, since the payment is for years of service, loyalty in a word, not work, but that is treated as a wage for the purposes of the Christmas bonus and severance pay. This is fine, and it does not violate the principle of equal pay either.

Commentary Must End for Lack of Space

Perform the exercise of reviewing the LFT. With no intention of favoring any sector and just out of an eagerness to establish a little order. If you are an attorney, for which I congratulate you, go through the procedures for lawsuits. You will no doubt find more than one of those details that have served somewhat hastily as the pretext for this new commentary in my "Jornada Laboral" column. And if you think of something, do not fail to let me know. For the time being, I have run out of space.

El Salvador

FMLN Sends Letter to UN on Remaining Arms Caches

PA2306001993 San Salvador LA PRENSA GRAFICA in Spanish 21 Jun 93 p 12

[Text] Shafik Handal, Farabundo Marti National Liberation Front [FMLN] coordinator, has announced that his organization has sent a letter to UN Secretary General Butrus Butrus-Ghali explaining how the FMLN will deliver the weapons that were not included in the inventory demanded by the peace agreements.

Handal gave no further explanations, but Joaquin Villalobos promised that FMLN will deliver more arms to the UN Observers for El Salvador [Onusal] outside San Miguel during the week of 21 June. Villalobos said there are still some caches in so far undetermined locations.

Villalobos added that prior to the discovery of caches in Nicaragua, the FMLN had promised the United Nations that it would not leave any arsenal buried and that it would continue searching for weapons to surrender. He emphasized that the remaining arms are "residual weapons" and said that the FMLN has been searching and will continue to search for them.

He stated: "We are working to recover weapons that have not been surrendered because many companions have kept war material out of distrust of the government and the Armed Forces. There is also some additional war material over which we had no control because of the very nature of irregular warfare. Now, in a peaceful atmosphere, we will pick them up and surrender them to Onusal for destruction."

Villalobos said his organization will ask for government support for a 45-day campaign in which it will continue to search for arms.

Asked about a Supreme Electoral Tribunal study on whether the FMLN should be suspended as a political party, the former guerrilla leader said a suspension would be a mistake because it would intensify the distrust of the FMLN rank and file and prove the radical elements right. Villalobos also viewed a suspension as a provocation because, as he sees it, his organization's legal standing cannot be questioned while it is making efforts that have a high political cost and because the war is over.

Vice President Reacts To Letter

PA2306130593 San Salvador Canal Seis Television in Spanish 0200 GMT 22 Jun 92

[Report by Fernando Aragon]

[Text] Vice President Francisco Merino on 21 June said that the Farabundo Marti National Liberation Front [FMLN] should provide specific proof that all of its weapons have been totally destroyed.

The vice president feels the former rebels should not only apologize before the United Nations, but they should respond with deeds.

Vice President Merino explained that it is not enough for the FMLN to apologize before the United Nations for not complying with the delivery of all its weapons.

Francisco Merino asserted that the FMLN should show proof that they have surrendered all their weapons. This was Merino's reaction to the FMLN letter asking for an extension of the time to surrender weapons.

[Begin Merino recording] The letter is addressed to the UN secretary general and he will have to respond as UN secretary general. As far as we are concerned, we believe this is not enough and it is to some degree irresponsible. [end recording]

On the week of 13 June, the FMLN delivered a large arsenal of weapons belonging to the ERP [People's Revolutionary Army] to UN Observers for El Salvador. ERP leader Joaquin Villalobos said that the United Nations already knew about these weapons.

Additionally, the FMLN is responsible for the overall delay in the implementation of the agreements. For instance, they have charged that the weapons used exclusively by the Armed Forces have not yet been recovered.

[Begin Merino recording, broadcast in progress]...that have been recovered by the Armed Forces are those that are known to all. There is a law establishing that weapons owned by individuals should by surrendered. They will be acting outside the law if they do not surrender their weapons. Authorities will have to take control of these weapons at the time they are discovered or reported. [end recording]

On 21 June Merino attended a seminar workshop for consular officials, which was held at [words indistinct] installations.

FMLN Letter to Mexico's Salinas Denies Plan To Renew Struggle

PA2206190593 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 21 Jun 93

[Text] In a letter to Mexican President Carlos Salinas de Gortari published on 21 June by the newspaper LA JORNADA, the Farabundo Marti National Liberation Front [FMLN] said that the Salvadoran peace process is going through a tense period, but he noted that the front has no intention of renewing the armed struggle.

FMLN Coordinator Jorge Shafik Handal reported in the letter that in the face of government delays in complying with peace commitments, some FMLN people decided to keep a certain amount of weapons in order to have a recourse capable of ensuring compliance with the entire agreement.

This is censurable, but the motive was to ensure compliance with the agreement, not to reinitiate the armed struggle.

In the letter, which was sent to President Salinas on 16 June, Handal calls the Mexican president one of the main promoters of the peace process in El Salvador.

Two arms caches belonging to the FMLN were found in May. One of the caches was found in Managua, Nicaragua. There, the authorities also found a list of possible kidnap victims containing names of 150 Latin American businessmen, including 77 Mexicans.

Handal stated in his letter to Salinas that the FMLN has nothing to do with such plans, which can only harm El Salvador and destroy our international relations.

Handal said that the origin of such a document is unclear and noted that the businessmen on that list can rest assured of FMLN's respect. He insisted that the FMLN has nothing to do with such a damnable matter.

Handal said that his organization is prepared to work hard to find and destroy FMLN weapons that could still be dispersed and out of FMLN control.

Guatemala

Court Requests Arrest of Serrano, Espina

PA2306144293 Guatemala City Teleonce Television in Spanish 1800 GMT 21 Jun 93

[News conference by Foreign Minister Arturo Fajardo Maldonado with unidentified reporters in Guatemala City on 21 June—recorded]

[Text] [Fajardo Maldonado] At the request of the Attorney General's Office, which initiated actions before the Fourth Criminal Court, the detention of Jorge Serrano Elias in Panama and Gustavo Espina in Costa Rica was requested. In other words, we are forwarding a court order directly through our respective embassies in Panama and Costa Rica to comply with orders from a national court. I am hereby confirming this request. On the night of 18 June, I received word that our ambassadors in Costa Rica and Panama had met with Panamanian Foreign Minister Julio Linares and the official in charge of the Costa Rican Foreign Ministry, as Foreign Minister Niehaus is out of the country, and had delivered the corresponding notes we sent from Guatemala. The note requested the arrests, per the orders of the Fourth Criminal Court of Guatemala.

[Reporter] [indistinct]

[Fajardo Maldonado] We have received the usual answer. They just acknowledged receiving the notes and saying they will study the requests. They will announce their answers in due time. At this time, the deputy foreign minister is trying to contact our embassies to see if there is any further reaction. We have complied with the requests made by the Attorney General's Office.

[Reporter] What will be done next?

[Fajardo Maldonado] The Attorney General's Office, which initiated the action, must continue with its actions at the appropriate courts.

The court will inform us of the appropriate actions. It is the duty of the Foreign Ministry to forward the international requests made by our courts or any other state branch.

[Reporter] Is there a deadline for a response?

[Fajardo Maldonado] There is no deadline because that is a sovereign decision of each country. They will decide what to do according to their own laws and international agreements. In the case of Costa Rica, as you know, the 1933 Inter-American extraditior. Agreement is in effect. In the case of Panama, the Bustamante Code is in effect. These countries make the decision. We are not facing a court process. These countries must even study their own internal procedures because in the case of Costa Rica, for example, they have to send the request to their Judicial Branch, according to Costa Rican Foreign Minister Bernd Niehaus. The Costa Rican Judicial Branch has to make a decision on the evidence as well. The first response we got from our embassy was that certain documents were needed to submit this request. Our duty is to t[illegible] the Judicial Branch, in this case the Criminal Court, to ask the Attorney General's Office to gather the necessary documents. Our duty is to forward the legal actions initiated in Guatemala. That is the mission of the Foreign Ministry.

[Reporter] What types of documents were needed?

[Fajardo Maldonado] Preliminary documents. For example, they requested the document on the temporary government provisions that had been issued by Engineer Serrano, as that concerns one of the crimes for which he is being accused. He is being accused of violating the constitutional order. They are asking for a document on the ruling handed down by the Constitutional Court revoking this process to show that it was in fact done and that violations to the Guatemalan Constitution were in fact committed. These documents must be sent. The only documents we had were the request for their arrest by these countries. It will be up to these countries to determine what steps are to be taken next. We are only waiting for their reply.

[Reporter] If the requests for their extradition fail, what other steps could be taken?

[Fajardo Maldonado] If the requests fail to come through legally, we would have to initiate political actions. It would be a matter of holding talks with Costa Rica and Panama regarding ways to solve this problem. It would be a more difficult process because we would not be discussing the implementation of agreements or the

application of laws. It would be the product of a negotiation and I do not think any country would surrender them if they are given political asylum, both in the case of Costa Rica and Panama.

[Reporter] Would you break diplomatic relations with those countries?

[Fajardo Maldonado] I do not think so. It is not necessary. I do not believe in breaking diplomatic relations. I believe it would be a mistake. I believe in negotiation, I believe in always keeping the channels open. That is important in solving problems, in finding solutions, and in finding ways to accept proposals between countries. I believe relations with these countries are very important, especially in the area of Central American integration. Breaking relations has not been considered and it would not be an efficient way to solve the problem. On the contrary, we would complicate the matter.

[Reporter] Would it be an obstacle for Central American integration?

[Fajardo Maldonado] Of course, I believe we have more to lose by breaking relations with Costa Rica and Panama. I believe the extradition of two persons is not worth breaking economic and political relations with Panama and Costa Rica.

[Reporter] [Question indistinct]

[Fajardo Maldonado] They will determine their status. If these countries grant political asylum to Engineer Serrano and Mr. Espina, that would be the end of the extradition process because there is no extradition for political crimes, even when tied to common crimes. Our own national laws and even international agreements verify this stipulation.

Correction to President De Leon Carpio Interview

PA2206125393

The following correction pertains to the item headlined "President Gives Interview," published in the 22 June Latin America DAILY REPORT, page 13:

Column one, paragraph three, only sentence, make read: ...the people's support? [new graf]

[De Leon] Of course. That would be the most important condition. Perhaps within the bounds... (correcting speaker)

Nicaragua

UNO Coordinator on Meeting With Ministers

PA2206225593 Managua Radio Corporacion in Spanish 1530 GMT 18 Jun 93

[Interview with Roberto Urroz, National Opposition Union, UNO, coordinator and secretary general of the Nicaraguan Democratic Movement, by unidentified reporter; place not given—live]

[Text] [Reporter] Roberto Urroz of the Nicaraguan Democratic Movement and now coordinator of the National Opposition Union [UNO], is with us. He has many things to tell our listeners about the political activities of the UNO coalition. Mr. Urroz, the microphone is yours.

[Urroz] Thank you for this opportunity to share my position with the Nicaraguan people. I was talking with Eduardo [not further identified] about the importance of keeping the Nicaraguan people informed about what went on during the 12 June meeting of ministers and about what happened on 17 June during a meeting that a delegation of ours had with some ministers.

It is important to tell you that as coordinator of UNO, I want to keep the Nicaraguan people informed about what is happening at the National Political Council. I want to be clear and objective on matters I am responsible for and on the commitments we are acquiring.

UNO has been characterized by its commitments to the Nicaraguan people and for never betraying these commitments. UNO will make every effort to promote UNO's government program, aware of the fact that in view of the current political, economic, and social deterioration, there must be a change of attitude in favor of principles by placing the interests of the nation above party interests and by leading in the search for solutions. Nicaragua's current situation has no room for demagogues and party-privilege leaderships. There is room only for leaderships that seek solutions so that we may find the practical solutions the Nicaraguan people want to resolve their unemployment, health, and housing problems. We know that political stability is necessary so that economic measures can be effective.

This is why UNO agreed to receive ministers at the Political Council headquarters. They said we view President Violeta Chamorro as our sole valid and legitimate interlocutor, as the person who has a commitment to UNO, and that we ignore the ministers and do not see them as having any commitment to our organization. They wanted to know why we think this way.

The meeting took place and there was an exchange of opinions. They basically asked us why we feel this way. We explained clearly that it has been the government who moved away from the rank and file that put it in power, that it was the government who after signing the transition-protocol agreement embarked on a path different from the one it committed to the Nicaraguan people, therefore disappointing the people.

They admitted also that errors have been committed and that it is necessary to wipe the slate clean. We said we were willing to make a fresh start but that we needed time to reflect to make sure past mistakes were not repeated. We also expressed our belief that many mistakes and much harm done to the Nicaraguan people

could have been avoided if UNO's recommendations had been followed from the very beginning of the administration. A cabinet should have been formed right from the start with political ministers, and the deputy ministers could have been the technocrats. Instead the cabinet was composed without taking UNO into account, although we do admit that technically the ministers were qualified.

They replied that indeed they started out as technocrats, but the mere fact that they were ministers put them on a political level and they have learned the ropes over the past three years. We responded that although it may be true that they have learned, many mistakes could have been prevented for the good of the Nicaraguan people. [Words indistinct] we said that reconciliation had been one sided—reconciliation with the losing party, the Sandinist National Liberation Front [FSLN]—and that little effort had been made for the true allies, those who put the government in power, to participate together in the government's work.

Engineer Antonio Lacayo was very emphatic when he said: We want to work with you. If we have worked with others with whom we do not share interests, why can we not work together if we have more points of agreement? Let it be said that Mrs. Chamorro's administration, the UNO government, did a great job. Lacayo explained that Nicaragua must be pulled ahead over these three years to erase all past mistakes and start thinking of a future Nicaragua. We told Lacayo that if things improve in accordance with the government program, if the cogovernment with the FSLN ends, and if there is a true change of government attitude, then we will be ready to work toward solutions. UNO has tirelessly reiterated its political willingness for dialogue as the best option, but through a pragmatic dialogue with solutions to national problems instead of demagoguery. UNO has repeatedly said that true formulas have to be found to solve the Nicaraguan people's problems.

[Reporter] In other words, Engineer Urroz, you are telling the Nicaraguan people on this nine o'clock program that Antonio Lacayo and his cabinet practically acknowledged their mistakes before the UNO National Political Council. What promises did he make to amend the errors they themselves admitted making? On 17 June Mr. Lacayo was distributing Office for Territorial Organization [OOT] certificates in the Managua neighborhoods and saying beautiful things about the Sandinist Community Movement. He went to these settlements and said things like: Thanks to the Movement, the government has reached you the people to deliver the OOT certificates. It has been working out very well, the government, the OOT, and the Community Movement working to benefit Nicaragua. The Community Movement is altruistic. A pack of lies. We all know very well what the Community Movement is in Nicaragua.

Unfortunately for Lacayo, the Community Movement made its appearance moments later. In the past, the Community Movement was none other than the Sandinist Defense Committee [CDS]. Everyone knows that. These days the Community Movement is what was previously the fateful CDS. The same Community Movement or CDS people told the people half an hour later not to pay any attention to the government or to Antonio Lacayo because those OOT certificates were worthless and that people who already had them were being evicted; people who had received houses in the Sandinist pinata-like giveaways. Now the true proprietors of the land that the government and Lacayo distributed have turned up with their property deeds, and if there is justice, the judges have no alternative other than to order the squatters to leave. Either you reach an agreement or we will evict you because you have OOT certificates, and that is not a property deed. In other words, the very own Sandinist Community Movement throws back all the flowery things Antonio Lacayo has said about them and threatens him with a march to the presidential palace on 25 June to deliver 50,000 protest signatures because no property deeds have been distributed and instead the government has given them OOT certificates.

In other words, Mr. Lacayo is campaigning. With the demagoguery and lies characteristic of his life he is trying to ingratiate himself with the FSLN. Then UNO comes up and Lacayo says: We want to work with you because we have been making mistakes. If we have worked with the FSLN, why can we not work with UNO? What do you think of the duality in that gentleman's personality?

[Urroz] The problem is unquestionably one of confidence and credibility. The government unquestionably lacks credibility; it has failed to fulfill many pledges. That is the problem. The meeting was an attempt to begin creating a positive atmosphere of confidence and credibility, and that cannot be accomplished overnight. We must be clear on that. As politicians, however, it is our duty to use dialogue as the mechanism par excellence to settle national problems. It is our duty to exhaust dialogue. What other alternative can we give the Nicaraguan people? We have already tested others means. We waged war against Sandinism. I was a member of the Nicaraguan Resistance [RN] and participated in the armed struggle. In the political arena we made it possible for this government to (?win) the elections.

We are all aware, all of us in the RN, that there is no option but the civic, civilized option of exerting pressure to see that pledges are fulfilled. Dialogue is the mechanism we must use. During our meeting with the ministers there were strong exchanges and many explanations were made. During this sincere and lofty dialogue, the ministers insisted on discussing the issues by sectors, but we said that sectorial talks would not truly represent the political factors that can resolve national problems. These sectors are fine for consultations and for listening to opinions, but not for reaching agreements. The ministers clearly said that any agreement that does not bear UNO's signature is illegal. The proposal they made to us was different from the one they had made before. They

said the government and UNO could agree on a specific issue and go to the multisectorial tables as a common front. We said we would have an answer on 24 June.

UNO's National Political Council held meetings at 1930 on 16 and 17 June. Eli Altamirano, Eugenio Lacayo, Adolfo Garcia Esquivel, Dr. Delio Baltodano, and I formed the UNO delegation that met the delegations headed by Minister Antonio Lacayo, [Finance Minister] Emilio Pereira, [Construction and Transportation Minister] Pablo Vigil, [Telcor Director] Ernesto Robleto, and [Social Action Minister] William Baez. We said the request they made of us required a broader and fuller response. We told them that UNO's National Political Council had decided to present its verbal answer thus:

First, the bilateral dialogue between the UNO political parties and the president must continue. The dialogue must be intensive and should begin next week in accordance with the set schedule and the previously agreed upon goals. We would maintain our position that the president is the valid and legitimate interlocutor through which to achieve agreements. Nevertheless, we would be considerate—given the president's busy schedule—and agree to allow the president to open the bilateral dialogue session, withdraw to her duties, then return to close the session. If agreements were reached, the president's signature would be required. UNO is thus showing considerable openness and consideration for the president because we do not want to be told that we are being stubborn and that we are creating stumbling blocks. This, however, is a matter of form. In substance we will be emphatic and firm.

[Reporter] Mr. Urroz, I would like to comment on UNO's impressive flexibility in the meeting with Lacayo. It was accepted that President Chamorro would only be present for the opening dialogue session and the closing session. That appears to be a very yielding attitude on UNO's part given Lacayo's pretension in thinking the dialogue should be with him. In the opinion of a large portion of the democratic sector, UNO should demand President Chamorro's presence during these conversations. The argument that she does not have time is invalid because it is the president's top priority to find a solution to the nation's problems. The dialogue with UNO is the core of the problem; the solution to the nation's problems must be found with UNO.

[Urroz] The truth is that if we continue using this as an excuse not to participate, holding firm to our position and not looking out for the nation's interest, we will not participate in the dialogue and the Sandinists will continue to gain ground. Our proposal is an overall proposal because it has several parts. Our proposal also states that once an issue is solved we are willing to sit at the multisectorial table, but we are not willing to sit down at the current multisectorial table. We want a multisectorial table turned into the national dialogue. In this dialogue we believe that the government, UNO, the FSLN, the Higher Council of Private Enterprise [Cosep], and the Permanent Worker's Congress [CPT] should participate, and not in the tower of Babel that has been taking place at that multisectorial table. We believe this relationship must be maintained to improve....[pauses] Those meetings improve the relationship between UNO and the cabinet ministers. This explanation is important. We Nicaraguans cannot be inflexible about matters of form if we are looking for solutions for the Nicaraguan people. We must make room for an alternative. A dialogue cannot be held back on a mere formality. That is why UNO, acting as an intelligent politician, decided to open the way for a dialogue. We will not forget the substance of the agreements we should reach in keeping with the government program and with our obligations to the Nicaraguan people and the things for which they have voted. That is the bottom line. Some sectors have to see that. Of course we will be criticized by some, but this is our way of demonstrating that we want to engage in a productive dialogue.

[Reporter] In my opinion, the bottom line is that President Chamorro should be present and the dialogue should be with her. That is the bottom line. For me it is not just a matter of form. As I said before, if the way of thinking starts to deteriorate, the institutions will deteriorate. UNO should stick to its point of view. That is to be strong in the dialogue. If you start giving in on one issue, then you give in on another and on another.

[Unidentified Speaker] Roberto Ortega wants to ask a question. Go ahead, Roberto Ortega.

[Ortega] [Name indistinct] has asked Urroz what positive issues have been agreed upon. I would like to know if these issues are among the positive things included in the dialogue: the possible return of duties to [Vice President] Virgilio Godoy; how the Legislative Assembly problem will be resolved; the problem of the rearmed; unemployment; problems in the hospitals; problem with agrarian reform; and corruption. Mr. Urroz was talking [words indistinct] up in the air. I would like Mr. Urroz—with all due respect—to tell me categorically what the specific conclusions were. Is this horsing around going to end or are they going to continue talking, talking, talking.

[Unidentified speaker] Thank you Ortega.

[Urroz] I think my friend Ortega is right. We want to clear up all the issues he just mentioned. We want to put them out on the table. All those points are included in the nine points UNO has agreed on with the government. The following problems must be resolved: the Legislative Assembly situation, human rights violations, the judicial branch situation, the Armed Forces situation, and economic and social issues. These things are very clear in our minds. We are now looking for the most efficient way to reach those objectives. It is not a matter of changing our minds as you have mentioned. We have not changed our minds. We maintain our principles and keep the nation's interests above private interests.

We must change our attitude, our way of tackling problems. We are not going there to sign just any pact Mr. Lacayo wants us to sign. We are going to sign what the

Nicaraguan people want us to sign. That does not mean we will disregard the Nicaraguan people and refuse to sign agreements just because the negotiating table happens to be square or round or because the president will remain throughout the meeting or for just a while.

The important thing is for the president to sign an agreement based on what UNO believes is the people's mandate and on the government program. That is important. If we were to draft an agreement at this table, without the president being here, and the president signs it and it helps the Nicaraguan people, does it matter that the president was not at the meeting? Why would it matter if she signs the agreement and is prepared to execute it?

We have a verification and follow-up commission in charge of ensuring that agreements are fulfilled, that agreements do not become just words on a page.

If we do not use the dialogue alternative, what other alternative does Nicaragua have? Tell me: What alternative?

[Reporter] There is none.

[Urroz] Violence? We have already seen that violence can destroy our country. We must be responsible, dependable, serious people, and we must never yield principles or abandon the interests of the nation.

[Reporter] Thank you for your important clarifications this morning on this program.

EPS Major General Cuadra on Military Activities

PA2306045293 Managua BARRICADA in Spanish 20 Jun 93 p 11

["Excerpts" of interview with Major General Joaquin Cuadra Chamorro, chief of the Sandinist People's Army, EPS, General Staff, by LA AVISPA magazine editor Vanessa Castro Cardenal; place and date not given]

[Text] [Castro] The country needs to defend itself from the threat of drug trafficking. Would you be willing to establish links with the DEA, or is there a political position on that?

[Cuadra] The fight against drug trafficking needs to be seen from a broader perspective. We are concerned because the Nicaraguan Government is not organized enough to face drug trafficking. There is a lack of experience, cohesion, and a central plan to integrate efforts and resources.

Each sector tries to do something. We cooperate with the police force because it acts as a regulatory body in the fight against international drug trafficking. However, other state institutions are involved in terms of the laws and domestic consumption. The president recently issued some decrees addressing the issues of a national commission to deal with drug consumption and a coordinating body for the informative-operational struggle against drugs. We are trying to use our resources more efficiently so the state is in a better position to fight drugs. To that end, we have mentioned the need for the matter to be placed within the correct context in relation to the DEA.

Because the DEA is a counternarcotics organization subordinate to the U.S. Justice Department, we believe the relationship must be between governments in a clearly and legally established manner. If a police-DEA relationship is established, we must have agreements that clearly identify the common areas of our efforts.

The Army is against beginning a relationship outside the serious legal context because we know that relations with the DEA have left a bitter aftertaste in other countries due to the DEA's involvement in domestic affairs.

[Castro] What role does the Army play in guaranteeing internal order? Should the Army help quell labor unrest, for example, in the two cases of Sebaco and an Army enterprise?

[Cuadra] The issue must be viewed outside politics. We are completely clear (...) that since three years ago it has been a police mission to ensure domestic order. There has been no change, and we think it would be an historic setback for Nicaragua if the Army were to incorporate the police in its structure. In fact, it would go against the modernization of Nicaragua.

Nevertheless, there have been times when we have helped the police carry out their duties and we shall continue to do so. The nature of some problems may exceed what can be termed as domestic order problems.

Those who believe the gang activity in northern Nicaragua is an internal order matter that has nothing to do with the Army are wrong.

[Castro] I would like to discuss the labor conflict rather than the gang problems.

[Cuadra] I will get to that point. If the police force is unable to face disorders that threaten national security, the Army must support the police.

When the police force has called the Army into the cities to face social problems, we have given our assistance with the sole purpose of doing what is necessary to support them when the situation exceeds their capacity. The Army has never intended to judge labor or social conflicts, nor has it tried to say whether a sector's claim is fair or not. We have categorically condemned the social struggles that go beyond the law.

[Castro] But the perception that followed the social student movement demanding 6 percent of the budget for the universities is that General Ortega, on behalf of the Sandinist People's Army [EPS], had judged you...

[Cuadra] For the methods that initially broke law and order, of course, yes. I am emphasizing the fundamental and basic matters that are part of our doctrine. It does

not mean that in this process of accommodation and learning there have not been situations that may have tilted the balance one way or another.

Of course some mistakes were made, but looking at all cases and the very difficult situations, we must recognize that the end result has been positive.

We understand that the mission of safeguarding internal order is the responsibility of the police force. The Army, however, watches that situation and is permanently concerned about it. We discuss the matter with the police. We are always willing to help, because sometimes there are limitations on what they can do.

[Castro] How can you explain the fact that military counterintelligence failed to notice that former EPS officers were involved in terrorists activities, for example, in the Leftist Punitive Forces [FPI]?

[Cuadra] The issue has been given a great deal of attention because of the magnitude of FPI activities. At any rate, nearly all recompas are former EPS members. It is therefore incorrect to attempt to measure military counterintelligence competence by the fact that it did not notice that a former EPS member such as Frank Ibarra, who had recently left the service, had been involved in illegal extremist activities.

I would like to make a few comments on this issue. First, a lot of our members who were discharged did not want to leave the EPS. They were literally thrown out. Second (...) enormous material difficulties have prevented those former soldiers from reintegrating themselves into civilian life in a stable manner. All of them, some more than others, are facing dire economic problems. Third, those two factors have created much resentment among many of them (...).

Despite great efforts by the EPS High Command to ensure that the government would provide the former soldiers with the necessary help, they are still suffering from the acute crisis facing the country (...) I think those problems have made them take radical political positions. Because they are soldiers (...) their political radicalism is more readily expressed through weapons (...)

[Castro] Right-wing groups say the FPI is an arm of the Army...

[Cuadra] We said the reduction process would be traumatic because there were few guarantees and because the country is facing a social crisis (...)

There is no inefficiency or lack of willingness to eliminate those groups. The problem is that we did not detect the FPI until it had dealt its first blows. The truth is that they were only recently established. Linking them to the Army, however, is stretching the facts a bit too far. I want to say that any claims of links between the FPI and the Army are completely false.

[Castro] As members of an institution with democratic inclinations, is the Army willing to be subordinate to any civilian power, regardless of its political persuasion?

[Cuadra] If I responded negatively I would be saying that if the person elected does not follow our line, he would not be able to rule. That is completely out of question. To us the most important thing is that the elections be held legally. One of the lessons we learned in the most recent elections was that we agreed to a legal framework, which was included in the Constitution, that would be defended during the transition period. In the future we will accept nothing outside that framework and the law.

Second, the Army cannot support this government and then not support the next one. The Army is definitely not the body that puts governments in power. The people's choice is that mechanism. The Army is committed to a democratic government because of its democratic inclination.

As long as successive governments support this democratic regime, the Army will work, establish relationships, and subordinate itself in keeping with the Constitution and laws (...) The issue here is to be committed to a historic cause, and that is the same as strengthening a democratic government.

[Castro] From a political standpoint, would you describe the Army as a belligerent institution that has a right to express opinions on political topics? Or does that hurt the Army's apolitical status?

[Cuadra] We have to view it from the perspective of each moment in the country's history. We are currently helping to consolidate the democratic government in which we are learning to live. We are going through a phase of changes, and our society is facing a serious crisis that could ruin all our efforts. That gives us the conviction that our institution is obliged to express opinions on current problems.

When we issued public statements in the past, it was not to meddle in matters outside our purview. We did it in the spirit of helping to solve dangerous situations that, in our opinion, were placing the country on the brink of chaos. We have expressed opinions when we thought national security was involved.

(...) Our opinions should adjust to the situation as soon as there is more tranquillity and stability, because it is important not to fall into the trap of thinking that the Army is above the rest of the world. We are part of Nicaragua, part of the entire process. We are closely related to it and feel partly responsible for everything that happens in the country.

(...) Being apolitical does not mean the Army will act like a puppet, but it should not act like a political party either. We think the Army should have a voice because it has a criterion and it has, as an institution, an interest

that is shared by a majority of Nicaraguans; that is, to support institutional democracy and defend national interests.

Borge Comments on FSLN Current Political Status

PA2206201593 Managua EL NUEVO DIARIO (NUEVO AMANECER CULTURAL supplement) in Spanish 19 Jun 93 p 6

[Interview with Tomas Borge Martinez, member of the Sandinist National Liberation Front, FSLN, National Directorate by Sergio Ferrari in Managua; date not given]

[Excerpts] [Passage omitted] [Ferrari] What is your assessment of these three post-Sandinist years?

[Borge] They reflect the new winds that have begun to blow in the world and that have been described as "economic adjustments" and "neoliberalism." This is a name that generates shame, since it places the major burden on the working people. These winds imply the privatization of the main resources of the state, including areas of strategic importance such as energy, communication, and even health and education.

[Ferrari] What about relations between the Sandinist National Liberation Front [FSLN] and the rest of the political sector?

[Borge] Beginning in mid-1992, both the internal rightist sectors and groups within the savage right wing of the U.S. Congress resumed a destabilizing offensive against Nicaragua. The main target is the FSLN. They cannot tolerate the existence of something as concrete as the FSLN. They cannot forgive us for existing and they want to eliminate even the last vestiges of revolutionary achievement.

[Ferrari] If the target is the FSLN, how do you explain the fact that the offensive is directed not just at the Sandinists, but also at the government?

[Borge] Since the government's policy of reconciliation is somewhat of an obstacle to the elimination of the FSLN, that offensive also strikes at the policy of reconciliation promoted by the Executive Branch. [passage omitted]

[Ferrari] To follow your line of reasoning, would you say that the FSLN fully supports and advocates respect for the present government, which has been attacked by the extreme right as much as the FSLN itself?

[Borge] Over the past few years, we have agreed with the government on some objectives, unrelated to a cogovernment. These are normal points of convergence, as in any country in the world. We agreed on total pacification, stability, reconciliation, and the search for foreign resources. This places us alongside the government and opposite the rightists. [passage omitted]

[Ferrari] In the economic sphere, considering certain basic statistics such as the unemployment of 60 percent of the economically active population, it would seem that the government's policies cannot be defended.

[Borge] The economic adjustment measures worsened the crisis. When they were applied to an anemic economy, they increased unemployment to "Kafkan" levels that were unprecedented in Nicaragua and rarely equalled in other parts of the world. The country sank into a state of terrible recession and stagnation that generated outbreaks of popular indignation. One can say that 60 percent of the population is facing dramatic poverty: 40 percent are in extreme poverty, and 20 percent are in absolute poverty.

This leads to a proliferation of robbery, crime, prostitution, contraband, and administrative corruption, a situation that has caused the government's credibility to decline. Moreover, since it is widely claimed that the FSLN participates in a kind of cogovernment, the situation has also adversely affected the FSLN's credibility. [passage omitted]

[Ferrari] If you continue extending political support to the government, is there not a risk of a domestication of the Sandinists as an opposition?

[Borge] The Sandinist Assembly document rules out such a domestication. Our role as the opposition is necessary. [passage omitted]

[Ferrari] Have some popular sectors lost faith in the FSLN?

[Borge] In that regard, we are developing instruments to recover the support of broad sectors that do not support us at this time and have lost faith in the FSLN. To this end, we have a new organizational distribution, we have reaffirmed our commitment to unity, and the first signs of recovery are already visible.

[Ferrari] Nevertheless, the latest polls indicate that where popular credibility is concerned, the top FSLN leaders, namely Daniel Ortega, Sergio Ramirez, and you, are far below the main exponents of the government and the extreme right, including Managua Mayor Arnoldo Aleman.

[Borge] Although I do not know how these polls are carried out, it is true that where there is smoke there is fire. Nevertheless, I believe that the extreme right, as represented by Aleman, has no strategic prospects. It has more to do with political primitivism than anything else. It is also true that so far we have lacked imagination in confronting the rightists.

On the other hand, a large percentage of the people support the FSLN despite the economic situation and our errors, because they have revolutionary beliefs and they look beyond the political juncture (certain recent internal documents indicate that this sector represents some 25 percent of the population). [passage omitted]

Argentina

Menem Plans 'Tough' Stand During U.S. Visit

PY2306014293 Buenos Aires BUENOS AIRES HERALD in English 22 Jun 93 p 11

[Article by Bunny Tobin]

[Text] President Carlos Menem will stand firm on his country's principles and tough on bilateral issues during a meeting with United States President Bill Clinton in Washington later this month.

During the inaugural meeting between Menem and Clinton, the two heads of state will discuss such key topics as the Condor II programme, the North American Free Trade Agreement (NAFTA), the issue of patentability of pharmaceutical products, GATT negotiations and the subsidies in the US and European Community.

While describing the presidential agenda as "very flexible," Menem said he would observe the fine line between friendship and professional relations.

"He sounds like a warm person over the phone," he said of Clinton, "But the issues of Argentina and the U.S. will go above my personal friendship with him. Our countries' interests are the most important thing."

The interests he was referring to included expanding trade opportunities, opposing subsidies placed on products by GATT countries and greater mutual understanding on a variety of other issues.

"Argentina accepts the challenge of the philosophy of openness in the economy. But the U.S. and Economic Community are not practising it," he said yesterday. "The subsidies in the U.S. and EC are damaging emerging countries."

Besides GATT prospects, Menem said that during his fourth visit to the US he would concentrate on the possibility of Argentina's involvement in the not-yet approved NAFTA agreement.

If Argentina is given permission by the U.S., Canada and Mexico to join NAFTA, it "will not be a problem" or a conflict of interest for Argentina to be involved in both international trade-promoting organizations. Argentina would not hesitate to join NAFTA without other MERCOSUR countries' gaining similar access to the agreement.

The president highlighted some improvements in Argentina in the last few years which may boost the country's image in the eyes of US and other NAFTA country officials who are considering allowing Argentina to participate in the agreement.

Menem pointed out that the country's hyperinflation of a few years ago, estimated at 5,000 percent a year, had been brought under control while unemployment had declined. He claimed the second largest growth rate in the world for Argentina after China.

During the hour-long press conference for international journalists held at the Casa Rosada, President Menem dismissed recent criticism by U.S. Ambassador Terence Todman about Argentina's compliance with the dismantlement of the Condor II project.

"There is a series of data which has not been processed yet, showing that this Condor will not survive. But we seek co-operation in finding a way to recycle some parts and study alternative uses of the Falda del Carmen plant (where the missiles were being constructed) for peaceful use."

"The Condor project is completely dead," he asserted. "And this achievement results in good relations between the U.S. and Argentina."

Switching gears to the foreign pressures on Argentina to pass a medical patents law in Argentina, Menem said: "My opinion is specified in a bill sent to Congress that is to end this situation of the use of patents and trademarks. Argentina thinks it should not be done in a traumatic way but in a way which will not affect domestic industry."

The issue of medical patents put foreign and domestic pharmaceutical companies at war in Argentina after the US threatened to impose trade sanctions if a patents law enacted in 1864 [year as published] does not accept the patentability of pharmaceutical products, permitting the legal copying of drugs patented abroad.

I am convinced and more hopeful. The national sector is more flexible. It is an important step forward," he said.

When asked how he would describe to the U.S. president Latin America's commitment to democracy, Menem downplayed concerns, saying: "Democracy is firmly established in this region. We have to watch out. But as seen in Guatemala, Peru and other countries in recent times, if the military takes over a democracy, that country will be secluded. All other Latin American countries react and isolate the country. The attitudes of that country are immediately smothered."

Recent political turmoil in Guatemala involved the country's President Jorge Serrano being ousted by the Army a week after he dissolved Parliament and imposed one-man rule.

"You can bet that democracy and freedom are ensured in this continent," he said.

When asked how he would describe the human rights situation in Argentina, Menem said: "It is a very wide and elastic issue. The (Organization of American States) congratulated us at the UN Human Rights Conference in Vienna on our human rights. It is the international organizations who have to identify offenders," he said.

The president said he will not discuss constitutional reform or presidential reelection with Clinton. "That is exclusive to the Argentine people. They will be the ones to decide."

He also stressed that the exchange rate would not be changed to favour particular groups of businessmen.

Camilion Says Condor-2 'Will Not Be Fully Deactivated'

PY2306030093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2307 GMT 23 Jun 93

[Text] Buenos Aires, 22 Jun (NA)—Defense Minister Oscar Camilion today admitted that the missile project Condor-2 "will not be fully deactivated" and stated that the peaceful use aspects of the project will be exploited. Camilion said that the government "has nothing to conceal on the issue" and noted that the possibility of "recycling the Falda del Carmen plant," located in Cordoba Province, is being assessed.

In response to a question on the Radical Party's [UCR] criticism regarding U.S. "interference" on the issue, Camilion said "that any foreign mission that may provide ideas will be welcome in Argentina." The minister gave the Chamber of Deputies Defense Commission a long explanation on the subject. Most of the session was held behind closed doors.

However, it was leaked that Camilion agreed with "many of the UCR objections" and discouraged the dismantling of the Falda del Carmen plant, where the Condor-2 missile vector was conceived and built. Camilion stated that the plant could continue producing engines for satellites and communication purposes coinciding with UCR Deputy Conrado Hugo Storani, who noted that "all the high technology such as that of the Condor-2 has dual use and that its use with certain purposes is subject to political decisions."

In Storani's opinion, the government's decision to dismantle the production of the missile vector "is prompted by pressure exerted by the United States through Ambassador Terence Todman," and added that "in this sense the government has acted in a submissive and obsequious manner."

Storani's comments were energically refuted by Justicialist Deputy Carlos Ruckauf, head of the Foreign Relations Commission, by asserting that "the government's foreign policy is clearly sovereign."

Ruckauf said: "The policy designed to join the First World entails giving up the proliferation of nuclear, missile, and chemical weapons."

Minister Camilion, in turn, said that the entire Condor-2 project was "risky" and commented that "missile proliferation is unacceptable."

However, he upheld the development of the vector for peaceful purposes and at the same time denied that military personnel at Falda del Carmen plant will be retired and that the civilian person will be dismissed.

At the end of the closed door portion of the lengthy session, Conrado Storani said that "it has become clear that the United States is exerting pressure to eliminate its economic and commercial competitors," and voiced his hope "that the technological development attained with the Condor-2 will be preserved."

Storani refrained from referring to the costs of the controversial project, which started in 1979 and gained strength under former President Raul Alfonsin, by stating that he did not have that information.

However, Storani revealed that the project was intensified by Argentina with the purchase of technology from the United States, Germany, Italy, and France, and added that "the United States now wants that technology destroyed."

Lastly, Camilion sustained that "the government has nothing to conceal" and noted that "the foreign missions that may propose alternatives for the use of the Falda del Carmen plant will be welcome." The Defense Minister also promised to discuss the reorganization of the Armed Forces with the defense commissions of the two houses.

Editorial Criticizes Handling of Condor Missile Issue

PY2206193593 Buenos Aires LA PRENSA in Spanish 20 Jun 93 p 10

[Editorial: "The United States, Chile, and Argentina"]

[Text] Three months ago, on 21 March—on the occasion of the dismantling of the Argentine-made "Condor-2" rocket—we used this column to make long and serious comments in an editorial we entitled "Missiles, Diplomacy, and National Dignity." In the editorial, we referred to what we considered very poor handling, by the Foreign Ministry, of a problem that is central to our foreign policy and even to national defense.

The matter was handled either through rumors or secrets that were known to everyone, and the country still is in a state of mystery over the subject. Taking this into consideration, in that editorial we wondered whether the agreement with the United States entailed the dismantling of the facilities where the rocket was built. We also wondered about the cost of the dismantling, especially—as some rumors have claimed—if scientists and technicians had to be dismissed. Concerning this last point, we believed it was necessary to take into account the efforts of intelligence and dexterity that our scientists made in building the rocket, and the self-defeating—and even disappointing—effect that the manner in which the aforementioned measures were implemented could have on them.

In that editorial we reiterated that the way in which the missile was destroyed was simply inadmissible, and that the attitude of some officials was disqualifying, because of Argentina's role in Latin America and because of our history—of which we are proud. The truth should have been told, and the people should have been informed about the decision made and the reasons for making it.

The deadly weapon should never have been allowed to be destroyed abroad but in our country, with as much control as might have been necessary. Even more, the pretended transportation of rocket parts to Spain should not have been allowed either, as the president himself admitted, because the real destination was the United States.

The attitude of the Argentine Foreign Ministry and its bureaucrats, whose contradictions show serious disrespect for the people, also is inadmissible. On the one hand, we want to be in the "First World," and, on the other, we agree to being treated at home and abroad like any country in the "Third World" group.

The matter has become important in view of President Menem's visit to Washington because it has been said that the president's agenda will include the missile, because the United States demands its total destruction. Also, according to rumors, the problem remains the object of permanent conversation and consultation with Argentine officials on the part of the U.S. ambassador to our government. Meanwhile, in the middle of strongly contradictory statements, trucks suddenly have appeared in Cordoba carrying pieces and parts from the missile. The whole thing has very little consistency.

At the same time, while Argentina is disarming itself in compliance with an international policy of control of nuclear weapons and short- and long-range tactical missiles, Chile is engaged in an increasing arms buildup. In a recent visit the Chilean president paid to Russia, a public announcement was made of the military cooperation that Moscow will now grant our neighbors. Argentine and Chilean newspapers have reported that a Chilean center for construction of sophisticated weapons has been established in "Lampa hill." Foreign magazines specializing in military matters have emphasized the advanced features of the Chilean Armed Forces' modern equipment.

Meanwhile, an obscure episode has broken out involving an alleged Chilean scientist, who reportedly was kidnapped and then held in Uruguay by Uruguayan security agents in an action that was coordinated with their Chilean colleagues. This affair, which has not yet been clarified, has harmed Chilean-Uruguayan relations and even forced Uruguayan President Luis Alberto Lacalle to cut short a visit he was paying to Great Britain. Some surprising remarks have been attributed to the now missing Chilean scientist, who reportedly designed the production of a lethal gas, which—it has been said—he was planning to use against our country in the 1970's, a decade marked by conflict.

What we have summarized so far, which the media have covered with fuller details, is worrisome. In addition to poorly handling the information with the public, there are matters directly related to national defense that cannot be disregarded. We want to contribute to the creation of "a new international order" with more justice and more solidarity, but this cannot be achieved at the expense of a sovereign country's dignity or at the expense of leaving Argentina in a state of defenselessness. These problems, in which there is so much at stake, should be handled with more responsibility and proper patriotism. Otherwise, history will never forgive those who shirked.

Menem Receives Paraguayan President-Elect Wasmosy

PY2306002693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1931 GMT 22 Jun 93

[Text] Buenos Aires, 22 Jun (NA)—President Carlos Menem and Paraguayan President-elect Juan Carlos Wasmosy today analyzed bilateral trade relations, Mercosur [Common Market of the South], and the Pilcomayo River diversion.

The meeting took place at the Olivos residence. Wasmosy later met with representatives of the Argentine Industrial Union and the Rural Society, the most important business association and livestock and agriculture organization, respectively, in the country.

Menem and Wasmosy discussed priority issues for one hour. The meeting had an "open agenda." Just minutes earlier, President Menem bade U.S. Ambassador Terence Todman farewell. Todman will be replaced by James Cheek.

Wasmosy later held an impromptu news conference at the Olivos' Journalists Hall to tell reporters about his meeting with Menem.

Wasmosy, who will assume his country's presidency on 15 August, said they discussed the situation of the Pilcomayo River diversion which prompted a Paraguayan protest and frustrated a summit meeting between Menem and current Paraguayan President Andres Rodriguez.

Wasmosy said the Pilcomayo River "is not a border marker, but an arm uniting our two peoples." Wasmosy announced that the Inter-American Development Bank (IDB) will fund the correction of both banks of the river.

Wasmosy said: "Mercosur is a very important achievement," adding, "we should not despair" if macroeconomic policies cannot be coordinated within the deadlines for the definitive launching of this regional agreement in 1995.

Wasmosy said: "Deadlines have been established for 1995" but we should "administer realities," adding that "we should not despair if we cannot coordinate our countries' macroeconomic policies."

Wasmosy said: "It took Europe 40 years to get where it is today, and it still has serious problems. We must, therefore, consider the progress already made as a commendable achievement."

Wasmosy said Argentina's economic program "is good," adding that President Menem offered the "cooperation" of his economic team.

The Paraguayan president-elect, who is on an official visit to Argentina, said the issue involving the Argentine Embassy in Paraguay and former Ambassador Ruben Cardozo's unpaid debts was never discussed.

Wasmosy concluded by saying that he and Menem analyzed problems derived from Argentina's imposition of a statistic tariff on imports. The Argentine Government reduced this tariff from 10 percent to 3 percent last May.

Founding Neuquen Popular Movement Member Dies

PY2306005193 Buenos Aires BUENOS AIRES HERALD in English 22 Jun 93 pp 1, 11

[Text] (DYN-NA)—Senator Elias Sapag, a founding member of the Neuquen Popular Movement [MPN], died of heart failure in the Federal Capital early yesterday at the age of 82.

A wake was held in the Senate for the remains of the veteran politician, who last December started his fourth term as Senator.

Neuquen Governor Jorge Sobisch attended the ceremony, which was presided by Provisional Senate Head Eduardo Menem, along with Vice- Governor Felipe Rodolfo Sapag, one of the six sons of the veteran politician, and other relatives of the provincial leader, including his wife Alma Teresa Sapag. The legislator will be buried today in San Martin de los Andes in Neuquen province.

In his tribute Senator Oraldo Britos (Peronist-San Luis) described the MPN leader as a "personal friend and a parliamentary worker." At press time yesterday President Carlos Menem was expected to attend the wake.

Sapag was born on August 5, 1911 in Keseruan, Lebanon, and founded the MPN, which he led for 25 years, with his brother on July, 1961. He was elected to the Senate in 1963 and was re-elected in 1973. In 1991 he defeated his brother in the primaries for the leadership of the MPN, Neuquen's powerful provincial party which had recently become a strong ally of the Justicialist Party supporting a series of key bills sent by the government to Congress. At the time of his death the Senator chaired the Upper House energy committee.

* Problems of Small, Medium-Sized Firms Detailed

93SM0281A Buenos Aires CLARIN in Spanish 9 May 93 pp 8-11

[Report by Alberto Sigliocccoli and Liliana Franco; first paragraph is CLARIN introduction]

[Text] Small and medium-sized firms face a special challenge during the present period of economic liberalization and capital concentration. In the most dynamic sectors, reconversion seems a viable option, while in other cases the PYM's [Small and Medium-Sized Businesses] can only hope to survive. The government has drafted a battery of measures intended to provide credit support to help this sector—98 percent of Argentina's businesses. Businessmen consider them, in principle, appropriate, though they are cautious when asked to judge their efficacy. There is still a long way to go before the present stimulus policy is comparable to policies in countries like Japan, Germany, and Italy, where PYM's are the real mainstay of production.

The profound changes in the economy in recent years have led to a structural crisis in small and medium-sized businesses, which in some cases have already been hit by bad experiences.

Some have already fallen by the wayside, but others will apparently emerge strengthened from the reconversion process. Those hardest hit were manufacturers of textile products, footwear, agricultural machinery, and toys, while on the opposite side were the makers of auto parts, foods, packaging, and household appliances.

Trade liberalization has accelerated the changes, with Argentine products being replaced by imports. In a market with reduced purchasing power, quality has become a secondary consideration, and only price is taken into account. However, unlike in the days of Martinez de Hoz, this time many manufacturers were the first to import products, thus partly offsetting the consequences.

According to CAI [Argentine Industrial Council] data, during 1992 the manufacturing capacity used by small and medium-sized industries fell 34 percent, with the most important drop concentrated between the months of August (when they were working at 58 percent of capacity) and December (barely 45 percent).

However, these figures do not agree with other statistics measuring industrial activity—like those which FIEL [Latin American Economic Research Foundation] regularly prepares—that place capacity usage at 71 percent last December and slightly higher in March 1993.

As a whole, small and medium-sized companies make up 98 percent of Argentina's businesses and employ 94 percent of the labor force. PYM's share general problems that affect industry as a whole, but they are also subject to difficulties inherent to them.

While they face problems like the prices of basic materials, financing costs, the real exchange rate, energy and infrastructure costs, export and investment financing, they are also affected by external factors like import liberalization policies, accentuated by asymmetries among the MERCOSUR [Common Market of the South] member states, especially Brazil.

Today almost all the industrialized countries have specific programs to support their PYM's, but in Argentina this is still pending. Good examples of the situation abroad are countries like Japan, Germany, and Italy,

among many others, where small and medium-sized companies are considered the breeding ground of large companies, and are, therefore, appropriately stimulated.

The story in Argentina is different and—according to businessmen—the undesired effects of the adjustment on these businesses are not taken into account when there are increasing tax pressures, labor costs, tariffs, and the cost of money.

The Key Factor

In this situation, the availability of credit becomes a key factor in the survival of many PYM's. This is even recognized by the government, whose measures are designed to help. But businessmen say the real problem is structural in nature and is closely linked to declining purchasing power in the domestic market.

The provision of credit for working capital recently announced—which this sector has unanimously called for—may become a turning point for the crisis in this sector.

Many people want special legislation for PYM's because of their different nature. For example, if appropriate labor regulations are important for the business sector in general, they are even more so for small and medium-sized businesses, most of which are labor-intensive and need to hire new personnel to grow, even minimally.

Other factors are not so easy to turn around. The loss of vehicles like industrial promotion, and also the constant criticism of this mechanism, reflect the lack of a pro-industry climate in Argentina.

The directors of PYM's—those who have not already done so—say that they are prepared to redimension their companies or to add other product lines in an attempt to survive.

"We Need Another Model"

Small and medium-sized businesses have had to face greater tax burdens through fiscal control mechanisms and the new invoicing system, and increases in energy and telephone rates. In most cases these higher costs could not be passed on to consumers, since customers look for better prices at the slightest hint of a price rise.

Jaime Godelman, president of the APyME [Assembly of Small and Medium-Sized Businesses], says that a constant concern of small and medium-sized businesses is the cost of money, and APyME believes interest rates will not equal the international rate in the short term. Godelman argues that "this will not happen as long as the state continues to borrow to pay off the foreign debt."

The Three-Year Support Plan assumes the credit crunch will be solved, but "this is simply a highly imperfect and unfair stopgap measure," since it is very difficult to direct the destination of money.

"The cost of funds is three times the international cost, and it is much higher than the rate big companies have to pay," he pointed out. Moreover, to get into the system they have to acquire capital goods, "which is difficult, given the uncertainty prevailing about the future of the model," he continues.

The industrial specialization decree also drew stinging criticism. "It represents a covert form of liberalization, but only for the chosen few—those capable of increasing their foreign sales," explains Godelman.

CAI

With the Convertibility Plan the deterioration of the business structure of the PYM's was halted. There was increased activity, which varied with the sector, segment, and even the specific product.

In the CAI's view, during this first phase the most dynamic sectors were auto parts, foods, packaging, household appliances, and supplies from the plastic, metal, glass, cardboard, rubber, and (partially) textile sectors. On the other side, economic liberalization and the import upturn hurt sectors like textiles, footwear (essentially slippers and sports shoes), wood, and (partially) electronics, furniture, and motorbikes and cycles.

According to Rolando Pietrantueno, president of the CAI, "Today there seems to be an urgent need for credit support, essentially credit for expansion or working capital, whose only source of supply seems to be what can be found in checking accounts." He rated the government's measures as positive and very important. On specialization, he said: "This is necessary and must be based upon comparative advantages, but the system has to be carefully applied."

He called it "necessary and urgent" for the government to act to lower business costs: a reduction in the percentage of job-related taxes (Social Security reform), decrease or elimination of taxes (gross income), financing for working capital or midterm growth with appropriate rates, moratoria and/or easing of payments of taxes and Social Security.

UIA

Institutionally, the UIA [Argentine Industrial Union] says the government's recent announcements offer a stimulus. "In evaluating their effectiveness it still remains to be seen whether the final outcome and the macroeconomic situation will allow an investment process to be really promoted," it stated.

According to the UIA, there are factors limiting the economic space of PYM's, created by the particular features of the adjustment and trade liberalization.

Because of the adjustment process, tax pressures, labor costs, tariffs, and the cost of money are rising. Industrial promotion is disappearing, without being replaced by new incentives.

Competitiveness is being emphasized while factors that create this competitiveness are being neglected, as there are no effective technological support systems, investment financing, business information, export promotion, and training.

The UIA concentrates on the "PYM window," a specialized service center for these businesses, designed to improve their competitiveness and facilitate their participation in international business.

CGI

One of the greatest difficulties in the process of modernization and national development is financing the manufacturing sector, especially financing small and medium-sized industries.

It is contradictory to call for reconversion without the minimum tool needed: credit. "What is the use of converting if we cannot reach a market," says Cesar Tortorella, head of the CGI [General Confederation of Industry].

Argentina's PYM sector is in a state of emergency, and "its current condition will not allow it to do any more than survive. In some cases, they may have to suspend or minimize activity, or even close down. The ones that may grow are exceptions, and their growth is related to very specific factors," he added.

He says there is still no provision for refinancing industrial liabilities. "Industry is waiting for benefits similar to what the state got with the Brady Plan," as "businessmen are beset by this problem."

He added that the PYM's are still waiting for credit at reasonable rates and terms.

Moreover, the government's commitment to reduce Argentine costs "has not been kept." As an example, he cited the gas and electricity rate hikes and the promises about job retraining.

He also called for special legislation for PYM's, and in this respect mentioned the CGI's proposal that microbusinesses and small industries pay an annual fee as their entire tax obligation.

The Government's Response

"For the first time in many years, there is a specific policy for PYM's with actual deeds and not just words," said Jorge Schiaretti, the secretary of industry and commerce.

He added that the credit lines in existence, the ones being announced, and the reduction in labor costs contained in the new employment bill fulfill the promises the government made.

According to this official, the PYM's major problem is financing, and these measures are designed to alleviate this problem. The government says these loans will not only enable PYM's to buy new capital goods at preferential rates, but also to finance working capital, acquire technology, management, obtain access to new markets, and to proceed with reconversion.

"The PYM's must be competitive and get access to world markets," he said, "as they are an important dynamic factor in the economy. They provide approximately 40 percent of our gross industrial product and over half the jobs in industry."

Schiaretti noted that the first segment of over $133 million in lines of credit for the acquisition of capital goods was granted almost in its entirety by the participating banks in a little under one month after becoming available. "This contradicts those who, a little too hastily, had been saying this system was not working." He reported that "in a few more days we are going to issue a request for bids to award another segment of this financing."

Specific Measures

Financial

- Lines of credit of $1.3 billion at 12 percent per annum with a four-year term for the acquisition of capital goods, the formation of working capital, technology acquisition, and creating consortia.
- Three additional lines of credit in the amount of $750 million—announced by President Menem on 1 May—for working capital, reconversion (with a seven-year term) and capital goods exports.
- Note: Lines of credit are subsidized by the National Treasury by the payment—already defined in some cases—of four percentage points.

Nonfinancial

- The National Securities Commission is developing instruments to give the PYM's access to the capital market.

Decrease in Labor Costs (Included in Labor Reform Bill)

- Businesses with up to 15 employees will not pay compensation and their workers will have access to unemployment insurance.
- Businesses with 15 to 50 employees will pay the full amount, of which a percentage may be recovered through the Unemployment Fund.
- Source: Department of Industry.

General Incentives

- Repeal of the stamp tax.
- Reduction in the fuel tax.
- Elimination of withholding on agricultural exports.
- Reduction of interest rates in Nation Bank pesos and official provincial banks to 2 percent a month.
- Industrial specialization system.
- INTI [National Institute of Industrial Technology] regionalization program.
- Internship program for on-the-job training of recent graduates.

- Reduction of taxes on assets.
- Decrease in payroll taxes.
- Modification of provincial and municipal tax systems to avoid taxes that penalize production costs.
- Program to cut prices of capital goods with a reduction to zero of the statistical rate and of tariffs, by compensating local industries that produce capital goods with a 15 percent return on each item produced.
- Source: Department of Industry and Commerce.

Scenes from Real Life Textiles

Imports are a fundamental factor in the crisis affecting PYM's in the textile industry. "Only big companies with a market presence through their brands are keeping part of their activity; the rest cannot cope with liberalization," says the head of a company that has made sportswear and school uniforms for 20 years.

"Even my own daughter, when the time comes to buy gym wear, asks me for a top-brand outfit," he confesses.

The factory employed about 40 people in the 1970's, but in recent years many workers have sought new horizons because of the lack of work and in some cases, they took capital goods with them—as part of their settlement—to try their fate on their own. Of the 45 machines they had then, there are now only 15 (of which 10 need to be reconditioned).

Today only five people are working and the factory is active essentially between November and May (before 1987 it worked all year), since its survival is based exclusively on a specific market niche: the production of private school uniforms, a job the big companies do not want to bother with, since it is not convenient for them to set up a line for small quantities (between 1,000 and 1,500 units).

But "last season, just when we were about to close, we had our worst moment in 20 years, working at a level of activity of barely 12 percent," notes the businessman. "Schools are only interested in getting their tuition, and so they have become much more flexible about requiring a specific school uniform," he explains.

Solely to extend its survival, the factory will probably start to import raw materials, since fabric from Chile and Brazil is 30 percent cheaper. The businessman—in making this confession—seems upset and, as if trying to justify himself, emphasizes: "This is a matter of self-defense for us."

Agricultural Machinery

PYM's in the agricultural machinery sector (most of them are located in the interior of Argentina) are experiencing severe hardships, attributed to Brazilian imports that compete not only on the basis of favorable prices, but also with better financing terms.

The situation is described as very serious, with many companies on the point of closing down, as they have been working with 50 percent of their average market during the past six years.

The essential cause is lack of demand due to low agricultural profits in general, which means that farms under 100 hectares are not viable.

One plant in this sector that has been in business for 40 years now employs 15 people, fewer than half the staff it had a year ago, when the company's severe losses led to its downsizing.

The firm makes parts for plowing and sowing machines, and blades for harvesters' cutting platforms.

"In the last two years there was a big drop in sales," says the head of the company, and "we had to start a major reorganization."

He says that last year in the midst of the crisis they decided to buy new equipment, "There were only two routes open: either shut down and work on something else—as many companies in the sector have done—or try a production reconversion."

"It was a big effort economically," he recalls. They bought two used machines from Brazil, which were adapted and are working now, although "at this time we are still losing money." The company is now engaged in an unequal struggle against the entry of parts for agricultural machinery at subsidized prices or of lower quality, which also come—is this just coincidence?—from Brazil.

Prospects are gloomy. "So far in 1993, imported blades have already entered Argentina in quantities equivalent to six months' production," he warns.

Toys

The toy industry is on the road to disappearance and faces dismal prospects. It is working at barely 25 percent of capacity (the lowest point in its entire history).

The only firms surviving this disaster are those specializing in "society" toys, a market niche where—for reasons of language and local interests—there is no imported competition. But the sector's traditional activity, making children's toys, has been totally displaced in recent years by foreign-made toys, primarily from China.

With 25 years of activity in the sector, a businessman said that his factory had employed 60 people, of whom only 50 are left now. To survive with seven injector machines shut down, they have concentrated their production on "society" toys and now plan to branch out to books (especially paperbound books). But "with profits cut in half," he notes," that will not be enough, and he says he is unhappy that he will have to get rid of another 10 employees very soon.

After the first crisis triggered by the influx of imports in the time of Martinez de Hoz, businessmen in the toy sector learned their lesson and before this new avalanche, began to buy parts and items to make toys locally.

With hopes pinned to Children's Day (40 percent of the year's toy sales occur at this time of the year), the businessman admits that "he has upped the stakes" by acquiring a latest generation machine, of which there are only five in all of Latin America, in an attempt to cut production costs by making some of these parts.

"This is a critical moment," he says, "and those who can position themselves better are the ones that will survive."

Shoes

In the footwear industry there has been a certain replacement of Argentine products by imports (foreign purchases were up over 150 percent in 1992), as well as a decline in the entire leather goods sector because of the population's reduced incomes.

"Someone who got burned with milk cries when he sees a cow," reflects a businessman who began in this sector over 20 years ago, explaining that he will never again go into debt in dollars to buy machines.

This businessman, who produces soles and accessories for footwear, explains that right now demand would justify his purchase of capital goods, but he would rather send some work outside the factory.

Started as a family business, between 1971 and 1975 it employed 74 people. Today only 14 are working. The crisis started in 1981 when the firm borrowed dollars, with assets of 20 percent, and came to owe seven times that amount as if by some magic trick; it has never been the same since.

His brothers and nephews left to try to survive and the business crisis became a serious personal and family problem. "Small and medium-sized businesses do not collapse, people collapse," he recalls bitterly.

After a three-year hiatus, a stroke of luck enabled him to find an item—a sole for which demand was very high—with which he resumed production and for this, again modified two old machines.

Of the five imported machines, four remain—one has been sold—working at 50-60 percent of capacity, which coexisted with the full staff of injectors (between 12 and 14), and since then totally shut down.

Finished shoe imports (normally in the off-season) indirectly hurt the company's sales, many of whose customers quietly disappeared. "In these conditions, you can only survive without investments and without plans for growth," he states flatly.

Bolivia

Army Commander Admits 'Peaceful Foreign Penetration'

PY2206163493 Santa Cruz EL MUNDO in Spanish 13 Jun 93 p 17

[Excerpt] La Paz, 12 Jun (ANF)—The Army General Command has admitted the persistent presence of "pockets of peaceful foreign penetration" in Bolivian territory, which has caused serious losses through the sacking of our natural renewable and nonrenewable resources, especially in the areas near the five neighboring countries that have no Bolivian population.

Army Commander in Chief General Oscar Escobar Quiroga, who admitted that the worrisome problem exists, proposed the implementation of the plans designed by the Defense Ministry to counter the problem. He criticized the lack of a feasible, updated national policy for border areas.

In areas along the Brazilian border, foreigners are continuing the irrational exploitation of gold, rubber, and lumber, while sulfur and mineral and nonmineral resources are being exploited in the area along the Chilean border.

To solve this worrisome problem, Gen. Escobar proposed undertaking concerted action by Bolivian police, the Foreign Ministry, customs offices, and the Armed Forces, and improving population distribution. Summing up, he said the country lacks a comprehensive and appropriate policy for border areas.

He recalled, however, that a plan for border areas was designed by the Defense Ministry with the help of several other ministries. He noted that this plan must be implemented in various fields of Bolivian life.

He said: "It is not a matter of stationing more soldiers but of permanent population and development centers with all basic services in strategic border areas, because in the final analysis, vacant areas will be defended by the Bolivians who live, work, and promote development in such areas." [passage omitted]

Cardenas Elected First Indigenous Vice President

PY2206214193 La Paz PRESENCIA in Spanish 13 Jun 93 p 2

[Article by Juan Carlos Rocha, Inter Press Service correspondent in La Paz]

[Text] For the first time in Bolivian history the constitutional vice president and ex-officio president of Congress is an indigenous person: He is Victor Hugo Cardenas Conde, by desire and vote of the majority at the ballot boxes.

Cardenas was born in 1952 in the "Achica Bajo" Aymara community on the plains of Ingavi Province of La Paz

Department. He became Gonzalo Sanchez de Lozada's running mate on the most voted ticket in the 6 June elections and is guaranteed of congressional approval.

On 6 August, the day power is transferred, Bolivia will begin a new era in its republican life: With the congressional investiture of Cardenas it begins to recognize the right to power and to the autonomous decisions of most of the indigenous peoples of Bolivia.

Ironically, the Sanchez de Lozada-Cardenas ticket had been called by his adversaries the "K'ra and t'ra" ("the white and the indian" in Aymara language) ticket.

The Anglo-Saxon accent and the prosperous social situation of the new president, which is confirmed in the compound surnames he carries (Gonzalo Daniel Sanchez de Lozada Sanchez Bustamante) openly contrasts with the peasant origin of his vice president, but today they are symbols of the recognition of the national majorities.

Cardenas, whose native language is Aymara but who also speaks Spanish and English, is married to Lidia Catari Huaynapaco, an indigenous person from La Paz who will, in the temporary absence of the president, will be the "first lady of the nation."

To reinforce his identity, and notwithstanding his superior education and the "intellectual" position he has acquired in the city, Victor Hugo Cardenas chose for his three children names in Aymara: Nayra (eyes), Iru Maki (stone hand), and Sani Arasape (early morning star).

Cardenas went to elementary school in the rural towns of the Altiplano and then studied literature and education at the San Andres Greater University in La Paz.

He was a professor in the sciences of education, linguistics, languages, and psychology at the School of Arts and Sciences of Education of San Andres Greater University between 1975 and 1992.

His recognized academic background led him to become head of the Education Commission of the National Peasants Confederation, a consultant on educational matters of UNESCO and UNICEF, and an adviser to the Bolivian Labor Confederation and to the Episcopal Conference on educational matters.

He was a member of the political and agrarian forums of the Latin American Institute for Social Research between 1989 and 1992.

In the political field, Cardenas was national deputy for his party, the Tupac Katari Revolutionary Movement of Liberation (MRTKL) between 1985 and 1989, and presidential candidate in 1989.

Cardenas assumes the vice presidency with the help of Sanchez de Lozada who, on 23 November 1992, astonished the whole country when he made the personal decision that his running mate would be the MRTKL leader and not one of his party, the Nationalist Revolutionary Movement (MNR), as is traditional.

The strength of the MRTKL did not lie in the party itself—in fact it did not even manage to get one single congressman elected to the previous congress—but in the personality of Cardenas who has, in his recent incursion into politics demonstrated aptitude, consistency, and a refreshing new attitude.

Since 1989, Cardenas has amazed the urban intellectual and university sectors who, disappointed with the fall of the leftist schemes in the world and in Bolivia, found in Cardenas a new focal point who, from the very beginning, reaffirmed the indigenous peoples claim for their rights.

Cardenas reorganized the MRTKL, changing its way of thinking, depriving it of all indigenous or racist resentment, yet demanding the recognition of the multicultural and diverse nature of the Bolivian nation.

Describing the until recently viewed "strange symbiosis" of the ticket with Sanchez de Lozada, Cardenas said that the ticket is an example of how to recognize the principles of cultural identities.

"A creole and urban businessman like Goni [nickname of Sanchez de Lozada] allied with an Aymara of peasant origin like Cardenas is part of the dialogue Bolivia must hold, not circumscribed to individuals alone, but extended to all sectors," Cardenas said.

Sanchez de Lozada vehemently defended his running mate during the electoral campaign, recognizing in him the direct presence of indigenous peoples, peasants, and inhabitants of rural areas which has never been achieved during the past few centuries in national political life.

Sociologist Mauricio Antezana described the main proposal of the Sanchez de Lozada-Cardenas ticket as "seeking to inject the state into the nation, and vice versa, and to promote the identity of the nation within the state, and vice versa."

Bolivia's New Political Map Viewed

PY2306023393 La Paz PRESENCIA in Spanish 13 Jun 93 p 2

[Article by Alberto K. Bailey Gutierrez: "Bolivia's New Political Map"]

[Text] In the wake of the 6 June elections, new elements involving the democratic system will now play a leading role in Bolivia's political life. Undoubtedly, these elements will be reviewed with interest within the next few months.

By the way, the parties' map and their weight on national activities have been substantially changed. Extinctions, stagnations, and the surfacing of a clear political hegemony have also been established.

In this regard, 6 June represents a watershed, a landmark for qualitative and quantitative transformations that may finally be evaluated, but whose trends may already be perceived and recorded.

ADN [Nationalist Democratic Action]

It seems that the ADN will begin to disappear from the scene after playing a decisive role during last decade's popular and congressional electoral processes. With the party leader's withdrawal, the party will become extinct and a revival or reorganization without [ADN President General Hugo] Banzer is unthinkable. The general's tenacity and leadership ability were unable to pave the way to the [Government] Palace. The general tried and achieved various alliances with political forces or right, center, or even semi-left personalities. His democratic drive, which was not denied by deeds all these years, was not enough to wipe out the dictatorship's huge and unpardonable stain. The people, this time, and the parties and their legislators, on past occasions, directly blocked his way. In addition to this basic point, it is necessary to say that the ADN's platform and program were short-sighted, repetitive, and unattractive—even for some groups that are usually influenced by the ADN. The stigma of corruption and the inefficiency displayed during the past four years have also reached the ADN and have contributed to its fall.

MIR [Movement of the Revolutionary Left]

Even worse is the situation of the MIR. After the vote tally, the MIR virtually does not appear on the scene because a good portion of the 20 percent received by the AP [Patriotic Accord] was actually earned by Banzer's ADN, leaving 4 or 5 percent for the president's party. The initial impression is that the current MIR will make way for a new version, virtually a new party. It remains to be seen if those who pick up what is left from the political capital belong to a more political and ideological trend or to the purely pragmatic trend that mismanaged the MIR. This demonstrates that to leave aside ideas, beliefs, principles, struggles, and political tradition to join opportunism will end in disaster. The MIR no longer appears as a center or social democratic party. In this case, the left represented a shortcut to reach a dull right. The MIR situation is similar to that of the Spanish Socialist Workers' Party [PSOE], which is not a socialist and—let alone—a workers' party. Yet, there is a difference: The PSOE, despite the loss of power, still managed to receive a large number of votes on 6 June.

The Mini Parties

Small parties, without clear programs and without popular attraction, will have to evaluate the disadvantage of trying to receive votes—unsuccessfully. Perhaps this election, with only six parties that managed to attract voters, also represents an opportunity to regroup forces, redraft programs, and admit that there are some parties that do not represent anyone in Bolivia's civilian society.

Condepa [Conscience of the Fatherland]

Despite showing some electoral stagnation the achievement of being able to enter into other regions may give this party some encouragement. Without doubt there will be a struggle between pure populism headed by party bosses and a more ideological position that is already beginning to appear. The result of this struggle will determine either growth or downfall.

UCS [Solidarity Civic Union]

Regarding the UCS, which did not even come close to its aspirations after investing large sums of money, it should be said that the possibility that this party will re-emerge does not seem possible. It was born in a short-lived basis and most probably the shooting star is dying.

The Left

The left, which was represented by three parties, has the opportunity to make new proposals and to reorganize its role in national politics in a harmonic and real manner. The caducity of many unjust structures, the social discontent, the essential reasons against a savage powerful apparatus, and the proposal for a more balanced and just society are objective elements that are above the obstacles and setbacks of European authoritarian regimes that advocated an obsolete project of unreal socialism. But these proposals must become a real political force with a feasible national policy. The MBL [Free Bolivia Movement] shows a clear and interesting trend for new proposals in the reorganization of the political project. The reasons that gave rise to the proposal for a new society based on other values than the market alone are alive and very much in force. But the dispersion of the left will have to be overcome because there is no reason for it in 1993, otherwise there will be no prospects for the immediate future. This situation is opening a time and space that must be used. It is necessary to shake up the idea of the effort being sought to have a larger and more powerful state, a statism, when in reality what should be sought is a new state that would make society larger and more participatory.

The MNR [Nationalist Revolutionary Movement]

The resurgence and irruption of a new democratized MNR with a young and updated project is the most interesting event in Bolivian politics in the last few years.

Two factors which are easy to describe and very difficult to conjugate have occurred in this case: a program which is exactly what the country wants and needs, a program based on an ideology, in a national project. And a leader who awakens confidence, who motivates, who conveyed the program well, and who appears before the electors as the man capable of carrying out with efficiency, experience, and honesty the proposals made. As I pointed out on 10 June, the figure of Gonzalo Sanchez de Lozada emerged on 6 June with a profile of an outstanding leader-statesman. The alliance with the MRTKL [Tupac Katari Revolutionary Movement of Liberation] has

remarkably reinforced two aspects: the program and the force of the leadership of Victor Hugo Cardenas.

In the political struggle where no efforts were made to annul or annihilate the other candidates, and no particular social interests but specific projects for reorganizing national society were confronted, the other proposals lacked a project or did not have outstanding leaders. In several cases those two things were missing.

We have come to a point where clear programs and ideas did away with privilege, paternalism, intolerance, dictatorship, and improvisation. The pluralist and representative democracy should function for the change proposed by Sanchez de Lozada: radical and urgent changes are needed in the state structure, distribution of wealth, reassignation of rights, decentralization, and participation. Without doubt there are good prospects for the country and making this a reality will require the action of not only the government but also of everyone.

Government Creates Commission for Transition of Power

PY2206163293 Cochabamba LOS TIEMPOS in Spanish 12 Jun 93 p A1

[Excerpt] La Paz, 11 Jun (ANF)—Minister of the Presidency Gustavo Fernandez said the government is willing to enforce an orderly transfer of power to the new government on 6 August.

He added that to this effect, President Jaime Paz Zamora has signed a decree creating a commission made up of the ministers of the interior, foreign affairs, planning, and the presidency. The commission will coordinate action by the executive branch and the parties that obtained the most votes in the recent elections, and will provide all the information requested by such parties for their government work.

Fernandez explained that this commission's creation proves that the executive branch is willing to facilitate the next government's work during the period leading up to 6 August. In this regard, the ministers will expedite the steps for obtaining international financial aid, which has been granted for social and economic projects. [passage omitted]

Brazil

Police Monitor Cali Cartel Cocaine Shipments

PY2206214493 Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Jun 93 Section 3 p 1

[Article by Otto Sarkis from the Folha de Sao Paulo office in Brasilia]

[Text] The Federal Police [PF] have seized over 5 metric tons of cocaine so far this year from Colombia's Cali Cartel. The 2 metric tons of cocaine that were seized on 15 June aboard the Mar Tere ship, nearby Cadiz, Spain, were monitored by the PF in May when it crossed Brazil from west to east aboard four planes.

PF Director Amaury Galdino told FOLHA DE SAO PAULO: "We place greater value on investigative work than on immediate operations." He added that in light of the latest operations, the Cali Cartel has been compelled to constantly change its routes.

The PF detected the cocaine shipment seized last week by the Spanish authorities within the framework of the "Maria Violeta" operation which resulted in the confiscation of 630 kg of cocaine in Para and 900 kg in Alta Floresta. The Federal Police were unable to seize the drug in Brazil and so the information was passed to Interpol once the drug was on board the ship.

It is believed that the cocaine was transported from the Maranhao coast to the Mar Tere aboard a helicopter, which explains why the police were at a disadvantage. The Brazilian PF lost its only plane during an operation in Alta Floresta and has no helicopter.

Some shipments have been followed by the PF. Through an agreement with the DEA, some of the cost of leasing planes and fuel is reimbursed.

Police Chief Sergio Sakon, PF Drug Control Department director, has said that the drug seized in Alta Floresta and Marajo is part of the cocaine shipment located in Belo Horizonte at the beginning of the year, which was bound for the United States.

Traffickers Fight Over Drug Distribution Command

PY2106194193 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 21 Jun 93

[Text] Inhabitants of a Rio de Janeiro shantytown have endured two days of terror. Traffickers of the Red Command, the most feared criminal organization in Rio de Janeiro, invaded the Morro dos Prazers over the past weekend. The police believe at least nine traffickers died in the war over the control of drug distribution posts.

The Morro dos Prazeres in Santa Teresa, Rio de Janeiro, is a territory dominated by drug traffickers. Over the weekend, some 50 of the Red Command invaded the hill to recover drug-selling posts lost to other groups.

The traffickers carry weapons in daylight. They have shotguns, pistols, rifles, and AR-15 rifles as used by the U.S. troops in the Persian Gulf. The traffickers even challenge the police and show bags of cocaine.

The police only managed to climb the hill 30 hours after the invasion. They found empty cartridges and bullet holes. They also found the body of a dead trafficker. Some inhabitants of the hill were expelled by traffickers.

This morning the hill was apparently calm. Traffickers were hidden, but inhabitants of the hill fear that the war could resume at any moment, because neither of the two

groups managed to overpower the slum area so far. Only two bodies were found so far, but the police suspect that seven others were killed. For this reason, a new police operation is being prepared. The police will return to the hill today.

Paris Club 'Could Suspend' Current Economic Agreement

PY2306001193 Rio de Janeiro O GLOBO in Portuguese 22 Jun 93 p 18

[From the "Economic Panorama" Column by Miriam Leitao]

[Text] The Paris Club, which embodies the official banks of the rich nations, could suspend its agreement with Brazil because we still do not have a new agreement with the IMF. The emergence of this new problem on an external front [preceding word in English], which Finance Minister Fernando Henrique Cardoso thought had been appeased, was the reason behind a meeting on 21 June between Cardoso and the ambassadors of the Group of Seven.

According to the commitment assumed in 1992 with the Paris Club, Brazil should have redrafted its letter of intent with the IMF by 31 January. When this deadline expired, the Paris Club granted Brazil a waiver [preceding word in English], in other words, the temporary suspension of this commitment. Now, at the insistence of the United States, the official creditors are threatening to cancel the waiver and re-establish the bases of the Agreement of 88 [not further specified], which would be harmful for Brazil.

The topic was discussed on the evening of 20 June at a meeting between officials of the external area of the Central Bank, headed by its president, Paulo Ximenes, and debt negotiator Pedro Malan.

Social Priorities Within Budget Outlined

PY2106153993 Rio de Janeiro O GLOBO in Portuguese 19 Jun 93 p 3

[Report by Denise Rothenburg and Rudolfo Lago]

[Excerpt] Brasilia—The government promised, and now it seems willing to fulfill its promise. The Budget Guidelines Law (LDO) submitted to Congress in April, which should be voted on next week, sets forth that the government's main investment priority for 1994—an election year and also President Itamar Franco's final year in office—will be the fight against starvation, poverty, and unemployment. The LDO, which was designed by the then Planning Minister Yeda Crusius, is maintained within the policy of Finance Minister Fernando Henrique Cardoso who asked for a cut of up to $6 billion in this year's budget. The LDO is not involved in the implementation of monumental projects.

If the 1994 budget complies with LDO requirements, most funds will be used for social projects, like distribution of milk and soybean oil, or the construction of cheap houses. Contrary to the LDO for 1992—proposed by former President Fernando Collor, for whom the priorities were expensive projects like the Xingo hydroelectric project and the CIAC's [Integrated Center for Assistance to Children]—the LDO designed by Crusius considered free food distribution programs as the main budget priorities.

The "Milk and Health" program, of the Brazilian Legion of Assistance, will be given special attention. The government intends to give milk and soybean oil to 1.4 million women with pregnancy problems, to 1.8 million children affected by malnutrition, and to 3.7 million relatives of such children. The second priority is the school breakfast program, which will benefit 30.6 million children for 200 school days per year. The Workers' Nutrition Program will benefit 42 percent of the workers with registered labor cards. The number of supermarkets of the Somar [expansion unknown] chain will rise from 13,000 to 30,000.

Yeda Crusius said: "The main concern is to balance public accounts and to make them transparent."

PMDB [Brazilian Democratic Movement Party] Senator for Mato Grosso Marcio Lacerda, a candidate for chairman of this year's Budget Committee said: "There has been unquestionable progress in the social area, yet the areas of retrogression must be overcome."

The main retrogression is the absence of a mechanism to guarantee the fair distribution of funds for social projects. Last year's LDO provided for division of such funds proportionately to the population and inversely proportional to the per capita income of each state. In her LDO, Yeda Crusius did not provide for anything similar.

The former minister's main concern seems to have been to show that the words by President Franco would be converted into facts. In addition to fighting poverty, other LDO priorities include the repair of 6,000 km of federal highways and the construction of cheap houses for 1.2 million families. With such projects, the government expects to create new jobs and reduce recession, thus promoting what it calls "development with social justice." [passage omitted]

Police Report Closure of 23 'Clandestine' Radio Stations

PY2206191393 Madrid EFE in Spanish 2327 GMT 18 Jun 93

[Text] Sao Paulo (Brazil), 18 Jun (EFE)—Official sources have reported that, since last Tuesday 15 June, the Federal Police of Brazil have closed 23 clandestine radio stations that were operating in the outskirts of Sao Paulo, most of them belonging to evangelical sects.

The Communications Ministry reported that federal agents in Santo Andre, within the Sao Paulo industrial belt, closed the following clandestine stations: "A Linda Manha" [The Beautiful Morning] which belongs to the "A Voz da Verdade" [The Voice of Truth] evangelical sect, and "FM Esperanza" [FM Hope] which belongs to the Pentecostal Church.

Sao Paulo Police Chief Jose Carlos Elmor said that another commercial radio was closed near Maua and that the police noted a total of 23 places where the equipment was suddenly taken away.

Paraguay

Gen Oviedo Evaluates Transition Period

PY2206142393 Buenos Aires LA PRENSA in Spanish 21 Jun 93 p 3

["Exclusive" interview with General Lino Oviedo, 1st Corps commander, by Gustavo Poch in Buenos Aires; date not given]

[Text] [Poch] According to your declarations the democratic opening was being conditioned.

[Oviedo] No. I could not do that because I have no voice or influence on political party activities, and as a citizen I am only worth one vote. We believe we participated in the consolidation of democracy and even in the democratic opening in our country. As a citizen I used my civic right to vote, and I voted for the candidate who seemed to me could carry out the transition in my country in an easier manner. But democracy means respecting everyone's right to express an opinion, otherwise it would not be an authentic pluralist regime.

[Poch] Are you saying the Armed Forces were not allowed to have an opinion?

[Oviedo] No, I did not say that because the Armed Forces support democracy in my country. I voted for the candidate I trust was the best to strengthen a transition process over which we have some kind of paternalism because we risked our lives in the process.

[Poch] What is your link to the Colorado Party?

[Oviedo] As a citizen I have a commitment to the Colorado Party because my grandfather and my father belonged to that party.

[Poch] Is democracy guaranteed in Paraguay?

[Oviedo] I would say it is. The consolidation of democracy has moved to a second stage, and now we are working to improve the economic situation of our people. You know that poverty conspires against the subsistence of democratic regimes.

[Poch] Is there some kind of military limitation on the democratic process?

[Oviedo] The Paraguayan Army does not impose any type of conditions. What we want is the consolidation of a system that cost the lives of soldiers to establish. We want the harmonic combination of democracy with a market economy.

[Poch] And if the government gets away from that political project?

[Oviedo] I can only say we have not talked with any political party to establish the conditions for the definitive installation of democracy. All we did was vote.

[Poch] Can it be inferred that President-elect [Juan Carlos] Wasmosy does not have to report to anybody?

[Oviedo] As president he has the full support of the party that took him to power and of the people who voted for him to lead the destiny of the country without any restrictions. He is not subordinated, as some reporters say, to certain guidelines, political pressures, and definitely not military pressure. The president is the commander in chief; the president of the Republic appoints and dismisses his aides. Wasmosy must lead the Paraguayan nation, and it will be very difficult for us to demand the fulfillment of his objectives from him.

[Poch] What is your opinion of the comments made by Wasmosy supporting [former dictator Alfredo] Stroessner's return?

[Oviedo] I never heard Wasmosy saying he agrees with General Stroessner's return.

[Poch] One month ago Wasmosy said Stroessner could return when he wanted.

[Oviedo] I did not hear him say that. At any rate, Stroessner has judicial proceedings pending in our country. Therefore, he will have to come to answer the charges before justice.

[Poch] Is Paraguay's well-being determined by a link to some power?

[Oviedo] No, not at all. We can have links with several organizations such as the Inter-American Development Bank and the World Bank, whose objective is the development of the Latin American countries.

[Poch] Is Wasmosy's election straining relations between the Army and the opposition?

[Oviedo] I can only give you a personal answer because other parties may disagree. I say that Wasmosy fulfills the conditions to carry out the transition period. I agree with Wasmosy's ideas of social justice, which mean a distribution of wealth taking the poor into consideration. This is very important because democracy cannot be consolidated in an environment of social needs.

[Poch] Will [President] General Rodriguez hand over power and retire?

[Oviedo] Of course; on 15 August he will hand over all the presidential powers to the president-elect.

Peru

Fujimori Cited on Economy, Trip to Asia

PA2206005193 Lima Global de Television Network in Spanish 0100 GMT 20 Jun 93

[Text] The government will promote the reduction of interest rates by depositing state funds in the banking system.

President Alberto Fujimori made this announcement while closing the Ninth National Management Congress organized by the Peruvian Business Administration Institute [IPAE].

The active rates on interest paid by banks to their clients will be reduced over the short term after the government deposits the accumulated fiscal resources in the financial institutions that have lower interest rates.

Fujimori made this and other important announcements during the closing ceremony of the Ninth National Management Congress organized by the IPAE.

The president said a favorable atmosphere exists for obtaining national and international aid for the country.

He stated that, during his tour through Asian countries, he received a proposal for the assembly of 20,000 automobiles every year for export.

Regarding the Administration for Pension Funds institutions, which will begin operating on 21 June, he said the state has given out $60 million among several of them.

[Begin Fujimori recording] Over these almost three years we have worked to turn Peru into a country with good conditions for investment, business, and private enterprise initiatives. Investment must be the driving force of the economy and society, with the final objective being the general wellbeing of the Peruvian people. But we do not want disguised [words indistinct]. Peru must progress and get to [word indistinct] [end recording]

Uruguay

Economy Minister Announces Measures

PY2306034593 Montevideo Radio El Espectador Network in Spanish 0000 GMT 23 Jun 93

[Text] The executive branch has approved a series of measures to correct the fiscal deficit. The measures are called adjustments for the country's economic progress. The executive branch also submitted three bills to Congress proposing to change the tax collection system and eliminating the deficit generated by certain areas. These measures were given priority for maintaining the fiscal balance. One bill aims at ending Ancap's [National Administration of Fuels, Alcohol, and Portland Cement] alcohol production monopoly; a second bill deals with insurance; and the third bill proposes a significant reform to the social security system. The present system will cost the state $2 billion this year alone.

The Council of Ministers also approved the 25-article budget bill that will be sent to the legislative branch on 25 June. The bill is considered brief and a quick approval is hoped for. Economy and Finance Minister Ignacio de Posadas suggested this much during a message to the Uruguayan people tonight:

[Begin De Posadas recording] Uruguay has been making great efforts to clean up its economy, reduce its foreign debt, transform itself, increase investment levels, defend employment levels, increase family incomes, and achieve growth at levels unknown for many years.

It is necessary to preserve these achievements, the results of much effort. More than preserve them, we must consolidate them by correcting imbalances and increasing the reforms we know are necessary. The postponement of the reforms will only result in more difficult solutions.

Regarding current problems we must note the very rapid increase of the consumption rate. This problem has been affecting our economy in the past few months as a consequence of an increase in public spending, which is putting pressure on some prices and is threatening to produce higher inflation rates after 30 months of a steady decline.

We all know the consequences of not quickly stopping this threat. Hundreds of thousands of people will lose some of their income. The pressure will be higher for agriculture and exporting activities, to mention only two.

The diagnosis, however, does not end here. We must remember that the root of these problems is the fact that needed structural reforms were not implemented in time, as my government proposed. This set of conditions will create serious problems for us in the short term. They must be confronted if we want to prevent an inflation spiral like the one we suffered more than once in the past.

The government can do little to influence the private sector apart from repeating warnings made by my predecessor, accountant Enrique Braga, that the government will rescue businessmen who make the wrong decisions.

The government must fight against public deficit and excessive spending with the instruments in hand and ask Congress to provide the other instruments to fight other problems. We all know that the bulk of public spending is in social security and salaries. These two areas will cost the country nearly $1.9 billion this year. These two items cannot be reduced easily.

On the other hand, Congress has not resolved the funding proposal made in April. As a consequence, the

executive branch must act within its sphere of responsibility and introduce further cuts in current items, reduce investments, and try to obtain fresh resources with a few tax and tariff reforms.

The government has created an additional list of spending cuts amounting to $27 million, and it will reduce by $140 million investments in the public sector—returning to the 1992 investment level which we must recall exceeded our historic average. Second, we will use extra budget resources to fulfill budget requirements. This instrument will help us save an additional $30 million. Another $30 million will be obtained through tax reforms in the area of gasoline, cars, and personal effects. We must also restructure the evolution of public utility rates for the rest of the year.

It is a duty for everyone responsible to see that the next budget remains particularly restrictive and totally balanced. The executive branch will do its part by sending one of the briefest and most concise budget bills in the history of the country to Congress.

This attitude will also give a strong signal denying the slanderous accusation that the government was saving money in order to spend it on elections next year.

But the government does not control all expenses, not even most of them. Organizations such as the university, the judicial branch, ANEP [National Public Education Administration], and the legislative branch have constitutional responsibilities to propose higher spending levels and only Congress can determine whether it is appropriate.

It is worth noting that the draft budget bill the executive branch will send to Congress will include saving proposals such as the total elimination of vacancies. The Defense Ministry, for instance, will eliminate more than 2,000 positions, saving $7 million. The government proposal also eliminates the application for resources to answer to the financial needs of key areas such as education, health, and social security. These measures, and others that are being implemented, will confront our short-term problems and will aim at bringing stability back to our economic process. These proposals, however, will not solve our structural problems. These problems affect the future economic viability of the country.

We have repeated this many times. Without a reform, a reduction of the state's size, and deep changes in the social security system, our cost situation will discourage investors and producers and will affect private and public salaries, which will remain low—more than today—and will be a constant source of political and workers' conflicts. Those collecting pensions will lose the security they have today and pensions are at present the highest in many decades.

The executive branch alone does not have the power to solve these problems. The Constitution gives this power to the Congress. These problems will not explode in the last remaining months of this administration. The executive branch could rest for having made repeated attempts to implement the necessary reforms and leave the problem for the next government.

But that implies that the country will suffer the consequences. The government has said that it is not governing for this term alone; it is governing for the country. As a consequence, the president has decided to grant Congress a new opportunity—perhaps the last one in many years—to give the country the structural reforms it desperately needs.

In the next few days the government will sent to Congress important draft bills addressing the problems of social security reform, the issue of insurance policies, norms on public servants, and a disposition interpreting the Constitution and establishing that budget bills and budget accounting bills must be balanced.

It is in the hands of Congress to prevent a collapse of the social security system and restructure the burden of public spending—which is excessive and will increase much more. The government will also place in Congress' hands an iron-clad norm for good administration that will prevent the irresponsible practice of determining more and more spending without the appropriate funding. A law regulating this aspect is very important for the country's future. It will not only fulfill the desire of those who wrote the Constitution, or support the historic reason for the creation of the institution of Congress. It will also expressly determine the responsibility of all resources administrators and the legislative branch in budget matters. It will encourage people to trust that their contributions will be seriously and responsibly handled.

The debate on these issues will be very important because it will permit different political groups that are getting ready for the upcoming election to make public their opinions on the administration of public funds.

The government has also decided to address the problems facing productive industries, particularly those in the export business. The tax exemption on the importation of capital goods will be extended. The government is also studying the abolition of the commission on exports and is seeking to improve pre-financing conditions.

The executive branch is using all tools at hand to fulfill its responsibility to attack short-term problems, continue on the path of economic stability, and again propose instruments to solve the structural and permanent problems that the country cannot avoid facing. We have achieved a lot together. Let us not lose it again. [end recording]

Venezuela

Four More Ministers Sworn In at Miraflores Palace

PA2206174493 Caracas Venezolana de Television Network in Spanish 1550 GMT 22 Jun 93

[Text] Four ministers are being sworn in at the Miraflores Palace Mirror Room. These are: Pablo Pulido, minister of Health and Social Welfare, and Francisco (Lairise)—as had been announced—minister of Venezuelan Guayana Corporation. Also on this occasion, Foreign Minister General Fernando Ochoa Antich was ratified and sworn in. Likewise, the Foreign Trade Institute was elevated to the ministry level, therefore, Miguel Rodriguez Mondoza was immediately sworn in.

At Miraflores Palace it was also learned that Eduardo Frei, candidate in Chile for the Democratic Convergence Party will arrive on 23 June. Frei is the son of the worldwide Christian Democracy leader Eduardo Frei.

Gen Tagliaferro Assumes General Army Commander Post

PA2206163393 Caracas Venezolana de Television Network in Spanish 2350 GMT 21 Jun 93

[Excerpt] On 21 June, Army General Jorge Tagliaferro de Lima assumed the post of general Army commander during a colorful ceremony attended by outgoing commander Gen. Pedro Remigio Rangel Rojas, Defense Minister Ivan Dario Jimenez Sanchez, and high-ranking personalities of the high command. After paying honors and signing the document to transfer the command over to Gen. Tagliaferro, Gen. Rangel addressed those present to express his thanks, chiefly to the commander of the National Armed Forces and the defense minister. Afterward, Gen. Tagliaferro said in his speech that he was aware of the commitment he made in assuming his new post. [passage omitted]